

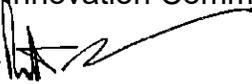
REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 27, 2023

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Council District: ALL

To: Karen Bass, Mayor
Paul Krekorian, Council President
Bob Blumenfield, Chair, Budget, Finance, and Innovation Committee

From: Matthew W. Szabo, City Administrative Officer 

Reference: 2023-24 Budget

Subject: **FIRST FINANCIAL STATUS REPORT**

SUMMARY

This Office is transmitting the First Financial Status Report (FSR) for Fiscal Year 2023-24. This report provides an update on the current-year budget including projected departmental and non-departmental expenditures, the status of the Reserve Fund, actual receipts from 2022-23, revenue trends for 2023-24, and a discussion on issues of concern which may impact the City's finances.

Entering our second fiscal year following the COVID-19 pandemic, we begin 2023-24 in a strong overall financial position and with the Reserve Fund at a higher level than reported at the end of 2022-23. Additionally, the City's revenues continue to be largely stable, albeit below plan compared to the same period last year with growth in many receipts after the lifting of pandemic restrictions appearing to slow. While the City still faces the risk of an economic downturn caused by the Federal Reserve's ongoing battle to tame inflation, this risk is reduced compared to the same period last year, with significant uncertainty as to when, or if, a recession may occur. Nonetheless, consumers, including the City, continue to face cost escalation due to inflationary pressures, while also feeling the impact of higher interest rates in borrowing costs. The dual impact of high inflation and high borrowing costs will continue to challenge the City's finances throughout 2023-24.

The City's ability to mitigate over-expenditures caused by higher prices in commodities such as fuel, utilities, feed and grain for animals, and other supplies will be tested in 2023-24. As further detailed in this report, cost escalations have already created funding gaps. In addition to these impacts, we have identified significant spending above plan in various City operations, which while manageable, may require the use of the Reserve Fund to balance the budget by year end

The preliminary year-end estimate of 2022-23 receipts totals \$7.58 billion, which is \$17.4 million above the revised 2022-23 General Fund revenue budget. Within the current fiscal year, General Fund revenues through September are \$137.9 million below plan. Some of these below plan receipts, however, may be recoverable later in the fiscal year. We identify downside risk to documentary transfer tax receipts and other economically sensitive revenues due to the economic

headwinds we identified above. It is, however, too early in the year to project year end revenue and there is a reasonable expectation that certain revenues will catch up to plan later in the year.

We have identified \$265.28 million in expenditures above plan in the current year. The largest over-expenditures are in the Police Department due to costs associated with the agreement with the Los Angeles Police Protective League, projected hiring, increased sworn overtime and unbudgeted auto parts and equipment costs. Other significant over-expenditures are due to the Fire Department's increased retirement sick payout liabilities, overtime for fire life safety inspections and fleet maintenance, an increased backfill rate in light of sworn vacancies and attrition, unbudgeted contract obligations, increased fleet maintenance and repair costs, and increased medical and rescue supply costs, the General Services Department's increased fuel and utilities costs, and approved and pending liability payouts for the Liability Claims Account. Included in this over-expenditure amount is the estimated additional appropriation that will be required for the Human Resources and Payroll (HRP) project due to its delayed Phase-Two implementation. This issue is further detailed as one of the five issues of concern that may impact the City's budget this fiscal year. Of the other four issues of concern raised, the most significant impact is anticipated to materialize from the ongoing employee union negotiations with the bargaining units that represent the City's civilian employees. While it is likely that many departments will be able to absorb a portion of these costs due to staff vacancies, we do not currently have figures to project the total impact on the City's finances as the agreements are still being negotiated.

In this report we recommend \$10.99 million in solutions to partially address the projected budget gap of \$265.28 million and identify \$142.89 million in potential future actions to further reduce the remaining year-end overspending to \$111.40 million. The size of the remaining budget gap highlights the need for departments to absorb or manage remaining costs within existing funds to the greatest extent possible. Absent these actions the City will need to use the Reserve Fund and reduce our healthy reserves putting the City in a less advantageous position to address an economic downturn, should one occur.

The Reserve Fund balance is \$536.79 million or 6.79 percent of 2023-24 General Fund revenue, after accounting for transactions approved since July 1 and the recommendations in this report. While this balance remains above the five percent Reserve Fund policy, the significant overspending identified in this report, the Citywide issues of concern that we raise, and the risk of an economic downturn may require the use of the Reserve Fund. We continue to strongly recommend that the City take a very cautious approach to using the Reserve Fund and refrain from using the Reserve Fund to fund new programs, program expansions, and service restorations at this time.

General Fund Revenue
Attachment 1A – 2021-22 Adopted and Revised General Fund Revenue
Attachment 1B – 2022-23 Adopted General Fund Revenue

Key Findings/Recommendations

- *Preliminary 2022-23 General Fund year end revenue is \$7.58 billion, ending \$135.7 million above the adopted budget of \$7.45 billion and \$17.4 million above the revised 2022-23 budget.*
- *With only three months of revenue data equivalent to 12 percent of total adopted 2023-24 General Fund revenue, it is too early to project year end revenue for 2023-24. Current-year property tax receipts only represent 4.4 percent of the property tax budget and the first remittance of secured receipts for the next property tax year will not occur until December 2023. Further, 85 percent of business tax receipts are received after January 1.*
- *Actual 2023-24 revenue through September is \$946.8 billion, which is \$137.9 million below the adopted plan of \$1.08 billion. Receipts to date are 11.4 percent below General Fund receipts of \$1.07 billion this time last year. Except for transient and parking occupancy taxes, franchise income and interest earnings, all revenue sources are below receipts recorded through September last year.*
- *The adopted revenue budget for property tax assumed 5.3 percent growth based on the County Assessor's May 2023 estimate. The Assessor has since provided a 5.9 percent growth estimate for the City's assessed value, which will likely reduce or eliminate the current property tax shortfall.*
- *Conversely, documentary transfer tax trends highlight an increasing risk to year end receipts due to the multiplying impact of declining sales volume—which at present is lower than adopted estimate assumptions—and decreasing home prices—which faces downward pressure from increased mortgage rates.*

2022-23 Actual Revenue

The 2022-23 Adopted Budget assumed \$7.45 billion in General Fund revenue based on assumptions for: 1) a modest decline in documentary transfer tax due to higher mortgage interest rates; 2) higher than average growth in departmental receipts, transient occupancy, parking occupancy and parking fine as they continued to recover from pandemic era lows; 3) average growth for other economy sensitive revenues; and, 4) one time Federal Emergency Management Agency (FEMA) grant receipts for COVID response reimbursements. This estimate for total General Fund revenue was subsequently increased by a net \$118.3 million (1.6 percent) to \$7.56 billion with the adoption of the 2023-24 budget based on trends in actual receipts for the first three quarters of 2022-23 and forecasts from economists, the County, and industry specific experts. Upward revisions reflected the accelerated recovery of receipts impacted by: 1) pandemic driven closures (transient and parking occupancy taxes); 2) higher inflation and interest rate driven growth

(business and sales taxes, interest earnings); higher assessed value growth (property tax); 3) peaking energy prices (utility tax and franchise income); and, 4) other positive variances. These increases were in turn offset by downward revisions due to anticipated shortfalls in departmental receipts, a drop off in property sales and declining prices in the real estate market (documentary transfer tax), delayed surplus property sales (CRA tax increment), and decreased ticket issuance activity and collections (parking fines), among other negative variances.

The preliminary estimate for actual 2022-23 revenue is \$7.58 billion, \$17.4 million (0.2 percent) above the revised budget, and \$135.7 million (1.8 percent) above the original adopted budget. Positive variances include higher property tax and CRA tax increment receipts (\$13.2 million and \$5.7 million, respectively), with the former responsible for the current-year shortfall. High natural gas prices contributed to the net \$21.1 million surplus in total franchise income. Business taxes from both cannabis and non-cannabis activity ended higher than their revised estimates (\$13.6 million and \$2.2 million, respectively), however cannabis related receipts fell \$30.6 million below the original adopted budget estimate. Interest income ended \$6.9 million higher than its previously increased estimate, due to increasing interest rates. Smaller positive variances from revised estimates include utility users, transient occupancy, and parking occupancy taxes (\$2.0 million, \$2.2 million, and \$2.1 million, respectively), all of which were increased in the revised revenue budget. Parking fine receipts also ended \$1.3 million above the revised estimate, after being reduced by \$21.7 million to reflect the impact of traffic officer vacancies and operational demands on ticket issuance and decreased collections.

Offsetting these positive variances from the revised budget are significant shortfalls in departmental and grant receipts (\$21.5 million and \$22.8 million, respectively). The departmental receipts estimate was previously reduced by \$40.8 million from the adopted budget estimate primarily due to factors that reduced reimbursements from special funds and proprietary departments including: 1) lower Cost Allocation Plan (CAP) rates; 2) higher vacancies; and, 3) lower special fund revenues available for reimbursements. There is potential to recover some departmental receipts in the current-year, including \$6 million contingent on a renewed contract with the Los Angeles County Metropolitan Transportation Authority (MTA) for the payment of outstanding service billings and \$1.9 million in Special Gas Tax related cost reimbursements contingent on the receipt of revenues. The total grants shortfall includes \$13.8 million in delayed receipts from FEMA for the reimbursement of the City's COVID 19 response efforts. An additional \$9.0 million shortfall in departmental grant receipts consists of \$3.2 million in reduced reimbursements and \$5.8 million in delayed receipts. Smaller negative variances include a \$5.1 million sales tax shortfall; the revised estimate was \$8.8 million higher than the adopted budget estimate due to inflation driven growth in actual receipts. Documentary transfer tax fell another \$3.5 million below its revised estimate due to the continuing declines in real estate sales volume and pricing that prompted the \$77.3 million reduction from the original budget estimate.

The 2022-23 adopted budget, revised estimates, and actual receipts are summarized in Attachment 1A, along with details on specific revenue surpluses and shortfalls.

2023-24 Adopted Revenue

The 2023-24 Adopted Budget assumes \$7.90 billion in total General Fund revenue, representing an increase of \$321.6 million (4.2 percent) above actual 2022-23 receipts. The increase, which includes a \$136.4 million transfer from the Reserve Fund, is slightly higher than the 4.1 percent average general fund growth in receipts since 1990. Most growth assumptions are within the range of historical growth in actual receipts save for departmental receipts, grant receipts and transient occupancy tax, which anticipate higher growth. Growth in departmental and grant receipts include assumptions for related cost reimbursements for special fund and grant-funded positions that were vacant the previous year and thus did not realize revenue. Transient occupancy tax growth is based on travel industry forecasts for increased international travel from China.

Revenue through September is \$946.8 million, which is \$137.9 million below the adopted plan of \$1.08 billion. While these receipts may be recoverable later in the fiscal year, it is notable that year-to-date receipts are \$122.1 million (11.4 percent) below receipts for the same period last year, with declines in all receipts except for transient and parking occupancy taxes, franchise income and interest earnings. All General Fund receipts are below the current-year monthly plan with the sole exception of franchise income, which is benefiting from the impact of last year's peak in natural gas prices on gas franchise receipts.

While it is too early to project year-end revenue with only three months of revenue data, the current shortfalls merit attention. Of particular concern is the continuing decline in documentary transfer tax receipts (currently \$11.4 million below plan) which accelerates when real estate sales and prices fall together. The California Association of Realtors' (CAR) September 2023 forecast predicts sales to decline by 22.2 percent for calendar year 2024, compared to the prior estimate of 7.2 percent assumed in the budget, thus increasing risk to this receipt. Transient occupancy tax (\$7.0 million below plan) also has downside risk. The adopted budget anticipated 10.5 percent growth partly based on industry assumptions for increased Chinese tourism with the end of COVID-era restrictions and a subsequent economic rebound, however the country's economy has faltered with its own property market downturn and lower growth is now anticipated. High interest rates are expected to limit economic growth and job creation for the first half of calendar year 2024, according to October 2023 economic survey predictions, potentially reducing sales and business tax receipts. The same survey predicts a high probability of a recession in the next twelve months (48 percent), which has the potential to impact all economy-sensitive revenues.

See the discussion below and Attachment 1B for a summary of the variances from the monthly plan and potential risks to year-end receipts.

Table 1. 2023-24 General Fund Revenue and Variance through September
(Figures Shown in Millions of Dollars)

	Adopted Budget	Monthly Plan	Monthly Receipts	Receipts as % of Budget	Variance
Property Tax	\$2,640.3	\$122.5	\$114.9	4.4%	(\$7.7)
Ex-CRA Tax Increment	143.7	-	-	-	-
Department receipts	1,363.3	264.5	198.8	14.6%	(65.7)
Business Tax	847.2	57.4	50.5	6.0%	(6.9)
Sales Tax	724.2	180.6	174.7	24.1%	(6.0)
Utility Users' Tax	650.5	173.0	161.6	24.8%	(11.4)
Transient Occupancy Tax	342.4	93.9	77.5	22.6%	(16.4)
Power Revenue Transfer	236.5	-	-	-	-
Documentary Transfer Tax	198.6	54.3	42.4	21.4%	(11.8)
Franchise Income	137.8	30.4	34.1	24.8%	3.8
Transfer from Reserve Fund	136.4	-	-	-	-
Parking Occupancy Tax	129.2	33.8	33.5	25.9%	(0.3)
Parking Fines	115.0	29.1	27.1	23.5%	(2.0)
Grant Receipts	109.2	3.5	2.3	2.1%	(1.2)
Interest Income	77.0	40.5	28.2	36.6%	(12.3)
Special Parking Revenue Transfer	32.4	-	-	-	-
Tobacco Settlement	10.7	-	-	-	-
Residential Development Tax	4.9	1.2	1.2	24.9%	(0.0)
State Motor Vehicle License Fees	4.0	-	-	-	-
Total General Fund	\$7,903.3	\$1,084.7	\$946.8	12.0%	(\$137.9)

Property taxes: Net property tax receipts through September are \$7.7 million behind plan across several categories of receipts, including -\$8.3 million in secured receipts corresponding to the prior property tax period. As County remittances for a single property tax year (received from November through August) span two City fiscal years, there are regular variances due to secured receipts received in May, July and August. The current year secured shortfall corresponds to \$15.5 million in excess receipts recorded in May 2023 that allowed 2022-23 property tax to end \$13.2 million above the revised budget.

Other receipts contributing to the September shortfall are lower supplemental property taxes and redemptions and higher refunds and negative adjustments (\$0.3 million, \$1.4 million, \$1.5 million, and \$0.2 million, respectively), reflecting greater declines due to the real estate market, taxpayer's ability to pay, and assessed value than assumed in the adopted budget, and present a potential downside risk. Offsetting these shortfalls are higher unsecured and miscellaneous receipts (\$0.9 million and \$3.1 million respectively), which along with secured receipts, represent the core tax base. The County Assessor's forecasted growth for City property receipts for the next tax period (beginning December 2023 for secured receipts) is 5.9 percent compared to 5.3 percent assumed in the adopted budget, which may offset the negative property tax trends discussed above.

Department receipts: Departmental receipts through September, which include license, permits, fees, fines, and various reimbursements, total \$198.8 million, which is \$65.7 million below the adopted plan. The shortfall is due to delayed remittances from special funds and other sources of related costs and other reimbursements (\$67.5 million) and MTA reimbursements (\$45.4 million). The latter shortfall requires execution of a new contract with MTA to recover outstanding receipts, including \$6.0 million from the 2022-23 fiscal year. Offsetting these shortfalls are various fees and other revenue (\$24.0 million); receipts from ambulance billings (\$16.3 million); proprietary departments reimbursements (\$1.8 million); and Project Roomkey funding (\$5.0 million). The Project Roomkey funding and other unanticipated receipts (\$25.4 million) may require appropriations to the operating budget, increasing the reported shortfall by an equivalent amount.

Business tax: Net business tax receipts are \$6.9 million below plan. Based on LATax receipts, revenue from cannabis-related business activity is near the adopted plan. Taxes from non-cannabis activity is due with the 2023 business tax renewal period and will be recorded in the second half of the fiscal year, representing approximately 85 percent of business tax revenue.

Sales tax: Sales tax is \$6.0 million below planned receipts through September, following a shortfall of \$5.0 million in revised 2022-23. Sales tax is one of the City's more economy-sensitive revenues. With continuing inflation eroding purchasing power and high interest rates restraining hiring and investment, there is downside risk to this revenue.

Utility users tax: Total receipts through September are \$11.4 million below, with \$3.9 million in excess electric users tax (EUT) receipts offsetting shortfalls in gas users and communication users (CUT) tax receipts (\$2.6 million and \$1.4 million, respectively). LATax data indicates that actual EUT receipts reported for the tax period are lower than the Department of Water and Power advance remittances, resulting in an estimated shortfall closer to \$13.3 million that would be realized as reductions to future EUT receipts.

Transient occupancy tax (TOT): In 2019-20 and 2020-21, TOT fell almost two-thirds from 2018-19 annual receipts due to pandemic-driven business closures and travel restrictions. Growth of 29.6 percent last year and 116.6 percent in 2021-22 were due to the travel industry's recovery, with 10.4 percent growth assumed for the current year, bringing receipts back to pre-pandemic trends. Budgeted growth, based on industry forecasts, assumed increasing international tourism from China which had previously been constrained by its extended pandemic-era restrictions and the resulting economic impact. International tourism has been lower, partly due to a stalling economic recovery in China. September TOT is \$16.4 million below plan from both hotel and short-term rental (home-sharing) activity. Based on LATax data, the net shortfall is closer to \$7 million, with receipts from short-term rentals near plan.

Power Revenue Transfer: After the adoption of the 2023-24 budget, the Board for the Department of Water and Power increased its estimate for the Power Revenue Transfer by \$6.8 million to approximately \$243.3 million. The actual transfer amount will be confirmed by the Board once an audit of 2022-23 Power Revenue Fund financial data is completed.

Documentary transfer tax: Receipts through September are \$11.8 million below plan due to a larger decline in sales (based on the number of deeds recorded) than assumed in the adopted budget (34 percent vs 22 percent) for the quarter. Sales price (based on the revenue per deed) is also slightly lower than budget assumptions. When sales volume and price components grow (or decline) together, there are significant variances from plan. There is significant downside risk as increasing mortgage interest rates have increased the cost of purchasing a home, thus slowing sales volume. Home prices have decreased slightly in response, but homeowners have been resistant to selling, which has reduced inventory and sales as well. There is considerable downside risk to this receipt based on the CAR's September 2023 forecast. Sales are anticipated to decline by 22.2 percent for calendar year 2024, compared to the prior estimate of 7.2 percent used in the budget. While the CAR forecasts a lower decline in home prices (1.5 percent) compared to their prior forecast (8.8 percent), it is unlikely to offset revenue declines associated with falling sales activity.

Franchise income: Net franchise receipts through September are \$3.8 million above plan, primarily due to natural gas franchise receipts (\$4.5 million) as well as a smaller waste collection surplus (\$0.3 million), which are offset by shortfalls from cable (\$0.9 million) and police garage (\$0.1 million) franchise fees. The gas franchise surplus is due to a peak in energy prices that occurred in the prior fiscal year.

Parking occupancy tax and parking fines: Parking occupancy tax revenue through September is near plan. Receipts, which fell more than 50 percent with pandemic-driven business closures and restrictions, grew a total of 95 percent in 2021-22 and 2022-23. Receipts are 3.4 percent above the same period last year. After initially recovering alongside parking occupancy tax with the end of pandemic-era restrictions, recovery in parking citation receipts have stalled in light of traffic officer vacancies and operational demands that reduce ticket issuance, as well as decreased collections. September receipts are \$2.0 million below plan.

Grant receipts: Receipts from grant revenue through September are \$2.3 million, which is approximately \$1.2 million below the budgeted plan for departmental grant revenue due to delays in direct and related cost reimbursements from various departments. The total grant budget includes \$80.4 million in FEMA reimbursements for COVID-19 response efforts, the timing of which is challenging to predict.

Expenditures

Key Findings/Recommendations

- *This Office has identified approximately \$265.28 million in projected overspending and unfunded items across various departments and funds.*
- *The recommendations in this FSR address \$10.99 million of this overspending leaving \$254.29 million to be addressed. This Office has identified anticipated future actions that would offset an additional \$142.89 million, reducing year-end overspending to \$111.40 million.*

Based on expenditure data through the end of August 2023, this Office has identified \$265.28 million in projected overspending and unfunded items across various departments and funds. This amount is largely due to overspending in the City Attorney (\$19.55 million), Fire (\$34.60 million), General Services (\$20.13 million), and Police (\$142.79 million) departments, and the Liability Claims Account (\$23.32 million). Most departments reported year-end surpluses due to salary savings and vacancies. Additionally, this Office has identified approximately \$97.07 million in costs for the Police Department due to the recently approved agreement with the Los Angeles Police Protective League, which are included in the overall Police Department overspending projection.

The year-end overspending is detailed in Table 2 to follow and is primarily due to the following categories:

- Projected overspending of \$19.55 million in the Office of the City Attorney due to increased overtime due to higher workload and recruitment challenges, litigation expenses, and outside counsel costs for the Housing and Urban Development False Claims Act case and more than 50 police protest cases.
- Projected overspending of \$34.6 million in the Fire Department primarily due to increased retirement sick payout liabilities, overtime for fire life safety inspections and fleet maintenance, an increased backfill rate in light of sworn vacancies and attrition, unbudgeted contract obligations, increased fleet maintenance and repair costs, and increased medical and rescue supply costs.
- Projected overspending of \$20.13 million in the General Services Department primarily due to increased fuel and energy costs, unanticipated contract costs, and increased fleet maintenance costs.
- Projected overspending of \$142.79 million in the Police Department due to costs associated with the agreement with the Los Angeles Police Protective League, projected hiring, increased sworn overtime, and unbudgeted auto parts and equipment costs.
- Projected overspending totaling \$24.89 million in various departments and funds for unbudgeted contract costs, delays in executing contracts, the Council District 6 Special Runoff Election, increased lease costs, projected ineligible grant costs, increased Medicare contributions, increased benefits and premiums for employee benefits, and costs associated with the delayed implementation of the HRP project.
- Projected overspending of \$23.32 million in the Liability Claims Fund due to approved and pending liability payouts.

(See Table 2 on the next page)

Table 2. First FSR Projected Overspending/Unfunded Expenditures (in Millions)		
Departmental and Non-Departmental Overspending		
Department	First FSR	Reason
City Administrative Officer	\$ 3.00	Overspending due to unbudgeted contract costs for reporting to the federal government on the City's COVID-19 response and recovery costs.
City Attorney	19.55	Overspending is due to increased overtime due to higher workload and recruitment challenges, litigation expenses, and outside counsel costs for the Housing and Urban Development False Claims Act case and more than 50 police protest cases.
City Clerk	2.04	Overspending is primarily due to the estimated cost for the Los Angeles County invoice for the Council District 6 June Runoff Election.
Community Investment for Families	0.07	Overspending is due to unanticipated expenditures for evaluation services.
Controller	0.88	Overspending is primarily due to unfunded contractual costs associated with HRP parallel testing services.
Disability	0.01	Overspending is primarily due to increased as-needed staff costs, the inadvertent over-encumbrance of 2022-23 contracts with funding authorized for reappropriation in the 2022-23 Year-End FSR.
Fire	34.60	Overspending is primarily due to increased retirement sick payout liabilities, overtime for fire life safety inspections and fleet maintenance, increased backfill rate in light of sworn vacancies and attrition, unbudgeted contract obligations, increased fleet maintenance and repair costs, and increased medical and rescue supply costs.
General Services	20.13	Overspending is primarily due to increased fuel and energy costs, unanticipated contract costs, and increased fleet maintenance costs.
Housing	0.46	Overspending is primarily due to higher than anticipated lease costs for the Proposition HHH Program and administrative costs for Community Development Block Grant programs and contracting delays resulting in prior-year costs carrying over to the current year.
Police	142.79	Overspending is primarily due to costs associated with the agreement with the Los Angeles Police Protective League, projected hiring, increased sworn overtime, and unbudgeted auto parts and equipment costs.
Non-Departmental		
General City Purposes	4.12	Overspending is primarily due to increased Medicare contribution costs and delays in executing several prior-year agreements.
Human Resources Benefits	2.36	Overspending is due to higher benefits and premium costs than assumed in the budget.
Liability Claims	23.32	Overspending is due to approved and pending liability payouts.
American Rescue Plan Act (ARPA)	1.95	Overspending is due to unbudgeted contract costs for consultant support for the administration of ARPA funds.
Human Resources and Payroll (HRP) Project	10.00	Overspending is due to the delayed Phase-Two Implementation of the HRP project and costs to maintain the current payroll system.
Total Year-End Overspending	\$ 265.28	

Current Year Budget Balancing

As noted in Table 3 below, the recommendations in this report are expected to reduce the year-end overspending from \$265.28 million to \$254.29 million. This Office has identified potential future actions totaling \$142.89 million, which could further reduce the remaining year-end overspending to \$111.40 million. To the extent possible, departments will be required to absorb or manage remaining costs within existing funds. Absent these actions, a Reserve Fund appropriation will be required.

(See Table 3 on the next page)

Table 3. 2023-24 Budget Balancing Solutions		
First FSR Overspending	\$ (265.28)	
First FSR Recommendations		
UB - Reserve for Mid-Year Adjustments	\$ 2.00	Transfer to the City Attorney to partially address outside counsel overspending.
UB - Election Expenses - Special Runoff 2023	2.15	Transfer to the City Clerk for costs associated with the June 2023 CD 6 Special Runoff Election.
Disencumbrance and Reappropriation of Prior-Year Funds	5.17	Disencumber and reappropriate prior-year funds to address overspending by the Community Investment for Families Department and the Department of Disability, and partially address overspending by the General Services and Police departments.
Information Technology Agency - Contractual Services	0.91	Transfer to the Controller to address HRP parallel testing services costs.
Reserve Fund	0.16	Transfer to the General City Purposes Fund to address overspending for the delayed agreement with Sister Cities of LA.
American Rescue Plan Act Fund	0.60	Transfer to the City Administrative Officer to partially address overspending associated with consultant support for the administration of ARPA.
Subtotal	\$ 10.99	
Potential Future Actions		
UB - Reserve for Mid-Year Adjustments	27.36	Transfer to partially address Citywide overspending.
UB - Department Payroll Reconciliation	73.05	Transfer to partially address Citywide overspending.
UB - Police Department Hiring Bonus	3.65	Transfer to partially address the Police Department's sworn salaries overspending.
UB - Police Department Hiring and Overtime	10.00	Transfer to partially address the Police Department's sworn salaries and overtime overspending.
UB - After-Action Implementation Plan	8.83	Transfer to partially address the Police Department's overspending.
UB - Reserve for Extraordinary Liability	20.00	Transfer to the Liability Claims Fund to partially address liability payout overspending.
Subtotal	\$ 142.89	
Year-End Overspending	\$ (111.40)	

City Reserves

Key Findings/Recommendations

- After accounting for transactions approved since July 1, pending transfers, and the recommendations in this report, the Reserve Fund balance is \$536.79 million, which represents 6.79 percent of the General Fund budget.
- The City maintains budgetary reserves designed to help manage its risks and ensure sufficient resources to meet contingencies. The City’s total reserves are approximately \$762.79 million or 9.65 percent of the total 2023-24 General Fund revenue.

Reserves	Balance (In Millions)	%	Purpose
UB, 2023-24 Reserve for Mid-Year Adjustments Account	\$ 27.36	0.35%	Available to address shortfalls that may arise throughout the year.
Reserve Fund	536.79	6.79%	Preserved for the most critical needs and matters of urgent economic necessity and are not to be used for ongoing expenses.
Budget Stabilization Fund	198.64	2.51%	Restricted for the maintenance of service levels during years of slow growth and declining revenue.
Total Reserves	\$ 762.79	9.65%	

Unappropriated Balance, 2023-24 Reserve for Mid-Year Adjustments

The 2023-24 Adopted Budget includes \$30 million in the UB, Reserve for Mid-Year Adjustments Account. The City should use this account prior to the other reserves. This report includes transfers totaling \$2.64 million from the UB, Reserve for Mid-Year Adjustments Account to the Council and City Attorney’s Office, resulting in a balance of \$27.36 million.

Reserve Fund

Attachment 2 – Current Status of Reserve Fund

Attachment 2A – Schedule of Reversions to the Reserve Fund and Other Funds Recommendation No. 11

According to the Office of the Controller, the preliminary June 30, 2023, Reserve Fund cash balance was \$1.15 billion. After the return of short-term loans made by the Controller at year end, adjustments initiated in the prior year and the 2023-24 Adopted Budget, the transfer to the Budget Stabilization Fund of \$2.14 million, and the transfer to budget of \$136.37 million, the July 1, 2023 Available Balance was \$648.27 million (see Table 5 below). This represented 8.20 percent of the

General Fund Budget and was approximately \$80.69 million above the 2023-24 Budget of \$567.58 million.

	Budget	Actual	Difference
Cash Balance, June 30*	\$1,030.14	\$1,146.78	\$116.64
Other Adjustments	(324.05)	(360.00)	(35.95)
Transfer to Budget Stabilization Fund	(2.14)	(2.14)	-
Transfer to Budget	(136.37)	(136.37)	-
July 1 Available Balance	\$567.58	\$648.27	\$80.69
Emergency Account	\$217.34	\$217.34	-
Contingency Account	350.24	430.93	\$80.69
Reserve Fund as Percent of General Fund	7.18%	8.20%	1.02%

*reflects \$546.52 million in year-end reversions as detailed in Attachment 2A

After accounting for transactions approved since July 1, pending transfers, and the recommendations in this report, the Reserve Fund balance is \$536.79 million, which consists of \$217.34 million in Emergency Reserve and \$319.45 million in Contingency Reserve. This balance represents 6.79 percent of the General Fund budget, which is above the five percent Reserve Fund policy.

The Reserve Fund balance of \$536.79 million reflects a net reduction of approximately \$111.48 million from the July 1, 2023 balance of \$648.27 million. Among the transactions contributing to the decrease is \$28.39 million in support of the Homekey Program (C.F. 21-0112) and \$67.98 million to front fund Measure ULA expenditures (C.F. 23-0038). In August 2023, Council authorized a loan of up to \$111.93 million to the House LA Fund for cash flow purposes to be reduced monthly in the amount equivalent to the actual receipts of Measure ULA revenue. As of October 17, 2023, \$43.95 million in additional ULA revenue has been received this fiscal year resulting in a reduced authority of \$67.98 million.

This report presents current year anticipated overspending and revenue risks that may require the use of the Reserve Fund if the City is not able to identify other solutions. Additionally, this Office is aware of internal and external factors that may also require the use of the Reserve Fund, including any current year fiscal impact of ongoing negotiations with civilian employee unions. In light of these potential uses, this Office recommends maintaining a cautious approach with the Reserve Fund. Specifically, the City should refrain from using the Reserve Fund to fund new programs, program expansions, and service restorations.

Budget Stabilization Fund

To supplement the Reserve Fund, the City established the Budget Stabilization Fund as part of the 2008-09 Budget to prevent overspending during prosperous years and to provide resources to help maintain service levels during lean years. The 2023-24 Adopted Budget includes a transfer to the Budget Stabilization Fund for \$2.14 million. The current balance in the Budget Stabilization Fund is \$198.64 million.

Issues of Concern

Key Findings/Recommendations

- *Additional internal and external factors that may have an impact on the City include costs associated with the state-sponsored bus arrivals of asylum-seeking migrants from Texas, employee union negotiations, costs associated with the implementation of the new human resources and payroll system, temporary hotel placements in response to the fireworks explosion on 27th Street, and receipts for the House LA Fund (Measure ULA).*

State-Sponsored Asylum-Seeking Migrants from Texas

Starting in June 2023, the State of Texas has transported asylum-seeking migrants to the City. To date, the City has received 26 buses, carrying 930 individuals. The City has incurred costs across various City departments to receive the asylum-seekers and provide temporary services to meet the needs of this population, including the provision of emergency shelter for individuals without local points of contact. Based on the projections in this report, the involved departments have been able to absorb these additional costs within existing appropriations. If the transport of asylum-seeking individuals by the State of Texas continues, however, the City may need to identify additional funding to continue providing services necessary to receive these individuals. This Office will continue to work with the relevant departments and provide updates in future FSRs.

Employee Union Negotiations

The agreements between the City and the various bargaining units that represent the civilian employees of the City expire in December. This Office is in ongoing negotiations with these bargaining units and will report in future FSRs on the progress of these negotiations and the anticipated financial impact. Based on Citywide vacancy rates and projected salary expenditures, we anticipate that departments will be able to absorb a portion of the current-year costs associated with the final agreements with these bargaining units. We do not currently have figures to project the total impact on the City's finances or the portion of the current year impact that departments will be able to absorb as the agreements are still being negotiated.

Human Resources and Payroll Project

The Human Resources and Payroll (HRP) project is the comprehensive replacement of the City's existing PaySR payroll system with a modern human resources and payroll system implemented by the vendor Workday, Inc. (Workday). Phase-One of the HRP project was successfully achieved with the implementation of the Human Capital Management (HCM) and Compensation modules in

May 2022. Phase-Two, comprised of several modules including Absence, Benefits, Data/Data Conversion, Integration, Reports, and Payroll, as well as additional Compensation module functionality, was set to go-live in December 2023. Due to parallel testing metrics not meeting established thresholds, the go-live date of December 2023 is unachievable. As such the HRP Steering Committee has decided to move the go-live date to June 2023. Given this delay, the HRP project will need additional resources and contract amendments with Workday and City consultants supporting the project. In addition, the delayed implementation also requires the City to maintain its current payroll system PaySR in production longer than planned. To ensure PaySR continues to perform accurately and securely, additional one-time investments to PaySR are needed to bolster and secure the payroll system in the interim. The total additional cost for the HRP project and PaySR enhancements are estimated to be \$10 million. The Information Technology Agency is preparing a separate report on behalf of the HRP Steering Committee on this matter with an interim budget request for the required resources. A Reserve Fund appropriation will likely be required to cover these additional costs.

Fireworks Explosion on East 27th Street

The fireworks explosion that occurred on June 30, 2021 on the 700 block of East 27th Street continues to reverberate two years after the incident and will continue to do so until settlement negotiations between impacted residents and the City conclude. While many impacted individuals have relocated, some individuals are still utilizing temporary housing in hotels provided by the City through the Community Investment for Families Department (CIFD). CIFD has reported a need for an additional \$450,000 to cover the temporary hotel placements through the end of January 2024. Since the incident occurred, the City has transferred approximately \$7.4 million (C.F. 21-0755-S1 and 21-0755-S4) to address temporary housing needs and interim living expenses, cleanup services, debris removal, and repairs to the residences. Each of these transfers have been done on an interim basis, which has necessitated the City to draw on funds from various accounts including the UB Reserve for Extraordinary Liabilities. However, as reported in this FSR and based on pending litigation, Citywide liabilities will exceed the total amounts within the Liabilities Account and the UB Reserve for Extraordinary Liabilities. As such, an alternative funding source for the requested \$450,000 is needed to address the extension of the temporary hotel placements. This Office will work with the Community Investment for Families Department to determine the full funding need for temporary hotel placements through year end and report in the Second FSR, including recommendations for an alternative funding source.

House LA Fund (Measure ULA)

The 2023-24 Adopted Budget projected that \$672 million in ULA receipts would be available in 2023-24. Due to risks associated with litigation challenging Measure ULA, the 2023-24 Adopted Budget proposed to spend up to \$150 million of anticipated receipts. While the recent dismissal of the litigation by the LA County Superior Court is a positive development, this action is still pending an appeal by the litigants. Further, we do not anticipate this action to impact the current pace of transactions and receipts. Total ULA receipts for 2023-24 through September are approximately \$66 million. Including the available balance from 2022-23, the House LA Fund currently has approximately \$82 million to back the \$150 million in 2023-24 appropriations. As the ULA tax applies only to property transactions that exceed \$5 million, monthly receipts-to-date have been

highly variable. Additionally, with only five months of data and the downside risk from higher mortgage rates, it is not possible to accurately predict year-end receipts at this time.

Four-Year Budget Outlook

Attachment 10 – Four-Year General Fund Budget Outlook

The 2023-24 Adopted Budget Outlook projects a shortfall in 2024-25 and surpluses for the subsequent three years. The following may reduce the projected surpluses:

- *An economic downturn, continuing extraordinary inflation, or a new outbreak of a COVID-19 variant.*
- *Increases in employee costs and pension contributions resulting from future labor agreements.*
- *Costs associated with major construction projects.*
- *Increased investment on homelessness initiatives.*

The 2023-24 Adopted Budget Four-Year Outlook (Outlook) reflects the current-year budget and projections of revenues and expenditures over the next four years. At the time of the Adopted Budget, this Office projected a modest shortfall in year one and surpluses in the following three years. Specifically, Attachment 10 illustrates that the City projects to have a shortfall of \$68.2 million in 2024-25 and surpluses of \$234.1 million in 2025-26, \$381.2 million in 2026-27, and \$544.4 million in 2027-28.

The Outlook made several assumptions that, if not met, will change future year projections. The Outlook reflects continuing revenue growth through 2027-28 based on historical averages. If the revenue falls short as a result of an economic downturn, it will reduce projected surpluses. The Outlook assumed the size of the workforce will remain flat after 2023-24 with no major changes in City services.

The Outlook does not assume the occurrence of a recession, continuing extraordinary inflation, or a new outbreak of a COVID-19 variant that prompts the reissuing of stay-at-home orders and a resulting economic downturn.

In August 2023, the Los Angeles Police Protective League ratified a four-year labor agreement with the City. The additional costs associated with this new agreement are not factored in the Outlook, as the Outlook only reflects salary increases from the active labor agreements at the time of the Adopted Budget. Incorporating our estimated costs for this contract into our Outlook expenditure projections, but making no other assumption changes, would increase the projected 2024-25 shortfall and reduce the projected surpluses in the subsequent years by the following amounts:

- 2024-25: \$123.4 million

- 2025-26: \$75.2 million
- 2026-27: \$90.8 million
- 2027-28: \$94.9 million

Further, a majority of the civilian agreements expire in December 2023. Potential future increases from upcoming and future labor agreements are not included in the Outlook.

Subsequent to the adoption of the 2023-24 Budget, the Los Angeles City Employees' Retirement System (LACERS) and the Los Angeles Fire and Police Pension System (LAFPP) completed a comprehensive experience study, where both LACERS and LAFPP reviewed and updated the economic and demographic assumptions, while maintaining the assumed rate of return at 7.00 percent. The Outlook already assumes a 7.00 percent rate of return for both retirement systems. The net change to the other economic and demographic assumptions across both LACERS and LAFPP will not have a significant impact on the Outlook.

The projected surpluses within the Outlook also do not take into account costs associated with major construction projects including the Civic Center Master Plan, the Los Angeles River Revitalization Master Plan, or the mitigation of stormwater pollution. In addition, the Outlook does not assume the continuation of one-time funding that was provided in 2023-24 for homelessness.

This Office will continue to monitor these issues and make adjustments to the Outlook as part of the Mayor's Proposed Budget for 2024-25.

Budgetary Adjustments

Budgetary adjustments totaling approximately \$91.01 million are recommended in Sections 1, 2, 5, and 6 of this report which include:

- \$9.17 million in new appropriations;
- \$35.34 million for transfers between accounts within various departments and funds;
- \$23.66 million for transfers between various departments and funds;
- \$5.45 million in appropriations from the Unappropriated Balance;
- \$1.02 million in reductions to special fund appropriations
- \$5.21 million in special fund appropriations
- \$0.16 million in transfers from the Reserve Fund
- \$5.48 million in disencumbrances and reappropriations
- \$5.52 million in other appropriation adjustments

Attachments

- 1A 2022-23 Adopted and Revised General Fund Revenue
- 1B 2023-24 Adopted General Fund Revenue
- 2 Current Status of Reserve Fund
- 2A Schedule of Reversions to the Reserve Fund and Other Funds
- 3 New Appropriations
- 4 Transfers between Accounts within Departments and Funds
- 5 Transfers between Departments and Funds
- 6 Appropriations from the Unappropriated Balance
- 7A Status of the Unappropriated Balance-General Account
- 7B Status of the Unappropriated Balance-Reserve for Mid-Year Adjustments
- 7C Status of the Unappropriated Balance-non-General Account
- 8 Status of Liability Claims Account
- 9 Employment Level Report
- 10 Four-Year General Fund Budget Outlook

RECOMMENDATIONS

(Refer to Discussion Sections 1, 2, 5, and 6)

That the Council, subject to the approval of the Mayor:

1. Appropriate \$9,172,839.95 to various department and fund accounts as specified in Attachment 3;
2. Transfer \$35,338,085.20 between accounts within various departments and funds as specified in Attachment 4;
3. Transfer \$23,660,383.76 between various department and funds as specified in Attachment 5;
4. Transfer \$5,450,373.75 from the Unappropriated Balance to various departments and funds as specified in Attachment 6;

American Rescue Plan Act

5. Appropriate the available cash balance, up to \$595,000, within the American Rescue Plan Act Fund, No. 64M, to the CAO's Office, Fund No. 100/10, Account 003040, Contractual Services, to fund the 2023-24 costs for ARPA administration consultant support.

Community Investment for Families

6. Authorize the Controller to disencumber up to \$74,598.88 in Fiscal Year 2022-23 encumbered balances for Contract C-139921 with Health Management Associates, Inc. (SC 21 CO23139921Y) within the Community Investment for Families Department Fund No. 100/21, Account 003040, Contractual Services, process the early reversion of the disencumbered amount to the Reserve Fund. No. 101/62, subsequently transfer the amount to the Unappropriated Balance, and appropriate therefrom into the same account in the same amount to complete FamilySource Center evaluation services through September 2023.
7. Relative to realigning appropriations within the Community Services Block Grant Trust Fund No. 428/21 with available grant funds:
 - a. Increase appropriations totaling \$345,729.13 within the Community Services Block Grant Trust Fund No. 428/21, Account No. 21Y121, Community Investment for Families;
 - b. Increase and reduce appropriations within the Community Investment for Families Department Fund No. 100/21 as follows:

Account	Account Name	Amount
001010	Salaries, General	\$ 230,205.40
001070	Salaries, As-Needed	22,240.25
002120	Printing and Binding	1,547.00
003040	Contractual Services	367.00
003310	Transportation	11,868.50
006010	Office and Administrative	79,715.98
006020	Operating Supplies	(215.00)
Total		\$ 345,729.13

- c. Increase appropriations \$154,582.93 within the Community Services Block Grant Trust Fund No. 428/21, Account No. 21Y299, Reimbursement of General Fund Costs.

Council

8. Amend Council Budgetary Department Footnote No. 2 in the 2023-24 Adopted Budget to increase the apportionment of Contingent Expense Account funds for each Council member from \$10,000 per Council member to \$20,000 per Council member.

Disability

9. Authorize the early reversion of the liquidated encumbrance of \$66,137 in the 2022-23 Department on Disability Fund No. 100/65, Account 003040, Contractual Services Account, revert the disencumbered amount to the Reserve Fund No. 101, subsequently transfer the amount to the Unappropriated Balance, and appropriate therefrom to the 2023-24 Department on Disability Fund No. 100/65, Account 003040, Contractual Services for the Durable Medical Equipment program.

Economic and Workforce Development

10. Rescind transaction 13f in the Controller Instructions Attachment of the CAO report regarding the Workforce Development Board Annual Plan (C.F. 23-0602) which transferred \$5,023,480 from the Reserve Fund to the Gang Injunction Fund, as this transfer was duplicative of the funding provided in the 2023-24 Adopted Budget.

General City Purposes

11. Transfer \$160,000 from the Reserve Fund No. 101/62 to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the General City Purposes Fund No. 100/56, Account No. 000939, Sister Cities of LA.

General Services

12. Authorize the Controller to disencumber up to \$414,005 in 2022-23 funding within General Services Fund No. 100/40, Account No. 003330, Utilities Exp Private Company, process the early reversion of disencumbered amount to the Reserve Fund No. 101, transfer the disencumbered amount to the Unappropriated Balance, and appropriate therefrom to General Services Fund No. 100/40, Account No. 003330, Utilities Exp Private Company, to partially offset the projected overspending.

Housing

- 13. Reduce appropriations in the amount of \$520,749 within the Lead Grant 12 Fund No. 63C/43, from Account No. 43S904, Administrative Reserve, to align the budget appropriation with the available grant fund amount.
- 14. Reduce appropriations totaling \$500,000 from the Affordable Housing Trust Fund No. 44G/43 to align appropriations with the available cash balance as follows:

Account	Account Name	Amount
43W143	Los Angeles Housing Department	\$ 132,701.25
43W299	Reimbursement of General Fund Costs	53,169.61
43WC83	United to House LA Administration Reserve	314,129.14
	Total	\$ 500,000.00

- 15. Authorize the Controller to disencumber up to \$292,000 in Fiscal Year (FY) 2022-23 encumbered balances for Contract No. C-140863, MYCA Multimedia & Training Solutions LLC (SC 43 CO23140863M) within the Housing Department Fund No. 100/43, Account No. 003040, Contractual Services, revert the disencumbered amount to Accessible Housing Fund No. 10D, and reappropriate therefrom to the Housing Department Fund No. 100/43, Account No. 003040, Contractual Services to pay for the development of an online training program for the Accessible Housing Program in 2023-24 (C-140863).
- 16. Authorize the Controller to disencumber up to \$13,401.30 in Fiscal Year (FY) 2022-23 encumbered balances for Contract No. C-134780, Urban Futures Bond Administration, Inc. (SC 43 CO23134780Y) within the Housing Department Fund No. 100/43, Account No. 003040, Contractual Services, revert the disencumbered amount to the funding sources as shown in the table below, and reappropriate therefrom to the Housing Department Fund No. 100/43, Account No. 003040, Contractual Services to pay for occupancy monitoring services of affordable and supportive housing units in 2023-24 (C-134780).

Fund	Remaining Balance
Municipal Housing Finance Fund No. 815	\$ 5,274.20
Low and Moderate Income Housing Fund No. 55J	8,127.10
Total	\$ 13,401.30

Los Angeles Convention and Tourism Bureau

- 17. Appropriate \$4,616,909.25 from the available cash balance of the Greater Los Angeles Visitors and Convention Bureau Trust Fund No. 429/10 to the LA Convention and Visitors Bureau Account No. 10Y475 within that fund and authorize the City Administrative Officer to issue payment to the LATCB for their share of 2022-23 TOT receipts pursuant to its agreement with the City.

Police

18. Authorize the Controller to disencumber up to \$4,439,562.36 from FY 2022-23 encumbered balance (OPO 70 230000303404) within the Police Department Fund No. 100/70, process the early reversion of the disencumbered amount to the Reserve Fund No. 101/62, transfer the amount from the Reserve Fund 101/62 to the Unappropriated Balance, and re-appropriate therefrom to the Police Department Fund No. 100/70, Office and Administrative Account No. 006010 (\$943,074.63), and Furniture, Office, and Technical Equipment Account No. 007300 (\$3,496,487.73), for the replacement of 911 dispatch consoles due to procurement delays in 2022-23.
19. Authorize the Controller to disencumber up to \$183,254.53 from FY 2022-23 encumbered balance (OPO 70 230000301450) within the Police Department Fund No. 100/70, process the early reversion of the disencumbered amount to the Reserve Fund No. 101/62, transfer the same amount from the Reserve Fund 101/62 to the Unappropriated Balance, and re-appropriate therefrom to the Police Department Fund No. 100/70, Furniture, Office, and Technical Equipment Account No. 007300, for a replacement Force Option Simulator (FOS) machine due to procurement delays in 2022-23.
20. Authorize the Controller's Office to process the revision of the Fiscal Year 2021-22 and 2022-23 Year-End Reversion Worksheets submitted by the Police Department on October 25, 2023.

Technical

21. Authorize the CAO to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.

FISCAL IMPACT STATEMENT

A total of \$265.28 million in projected over-expenditures are identified in the First Financial Status Report. Transfers, appropriations, and other budgetary adjustments totaling approximately \$91.01 million are recommended in Sections 1, 2, 5, and 6 of this report. This includes \$2.64 million in transfers from the Unappropriated Balance Reserve for Mid-Year Adjustments Account and \$0.16 million in transfers from the Reserve Fund.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies as the recommended transactions use current revenues and balances to pay for current operations.

DISCUSSION

The following is a discussion regarding the recommendations included in the report and other budget related items. The discussion is presented in the following sections:

Section 1. Status of Departmental Budgets24
 Section 2. Status of Non-Departmental Funds and Special Accounts90
 Section 3. Status of Employment95
 Section 4. Status of State Budget96
 Section 5. Status of American Rescue Plan Act – State and Local Fiscal Recovery Funds97
 Section 6. Status of Los Angeles Tourism and Convention Board Invoice98

1. STATUS OF DEPARTMENTAL BUDGETS

This section addresses the status of department expenditures and revenues, presents projected year-end overspending, and highlights issues of concerns. Recommendations include new appropriations, special fund reappropriations, and transfers for operational needs.

**A. Aging
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.005	\$ -	Projected surplus due to staff vacancies and hiring delays. Departmental vacancy rate is 17 percent as of August 2023.
Other Surplus Accounts	0.006	-	Projected surpluses in several expense accounts are based on prior-year and year-to-date expenditure trends.
General Fund Total	\$ 0.011	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Printing and Binding	\$ 0.002	\$ -	Projected surpluses based on prior-year and year-to-date expenditure trends.
Office and Administrative	0.056	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.116)	-	Overspending due to projected salary costs associated with grants that are pending reports to accept funds.
Special Funds Total	\$ (0.058)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 0.41	\$ 0.41	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office anticipates that the projected special fund overspending in the Salaries General Account will be fully addressed by the acceptance of several grant funds that are currently pending acceptance reports. This Office does not recommend any transactions at this time.

B. Animal Services

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.28	\$ (0.40)	Projected surplus due to staff vacancies and hiring delays.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.03)	-	Overspending due to one-time Coalition payout and higher than budgeted expenditure rates to support programs with as-needed staff in light of full-time vacancies.
Overtime General	(0.04)	-	Overspending due to increased staff overtime to ensure services on the additional City holiday and to maintain services levels in light of full-time vacancies.
Feed and Grain	(0.72)	0.40	Overspending due to yearly increases in food costs and shelters being at full capacity.
Operating Supplies	(0.10)	-	Overspending due to the unanticipated purchase of additional cleaning supplies to ensure cleanliness standards at six animal shelters.
General Fund Total	\$ 0.40	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 4.10	\$ 3.45	\$ (0.65)	Revenue shortfall due to a bank transition that delays regular funding disbursement from animal regulation permit revenues and reduced film permit requests due to the the Screen Actors Guild-American Federation of Television and Radio Artists and the Writers Guild of America strikes.

This Office recommends a transfer of \$400,000 from the projected Salaries General surplus to the Feed and Grain Account to partially address the overspending from increased food prices and shelter operating at full capacity. This Office will continue to work with the Department to monitor its expense accounts and report in future FSRs with any transactions necessary to resolve projected overspending.

The Citywide Cat Program is currently expanding its services and gaining greater participation from residents and partner organizations. In the first year of the program, the Department used \$280,630 of the allocated \$550,000 of funding. Within the first few months of the current fiscal year, the Department has spent an additional \$172,340, with an average of \$86,170 a month. This Office recommends that the \$500,000 set aside in the Unappropriated Balance for this program be transferred to the Citywide Cat Program Account to ensure services levels are maintained.

This Office recommends the following transactions at this time:

- Transfer \$400,000 from the Salaries General Account to the Feed and Grain Account to address increased food costs.
- Transfer \$500,000 from the Unappropriated Balance to the Citywide Cat Program to ensure sufficient funding for increasing program costs.

C. Building and Safety

Attachment 5 – Transfers between Departments and Funds

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries, General	\$ 15.78	\$ -	Projected surplus due to staff vacancies. The Department currently has 19 percent vacancy rate.
Special Funds Total	\$ 15.78	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 85.04	\$ 85.06	\$ 0.02	Revenue surplus due to unanticipated receipts from the Los Angeles County Direct Assessment Program.

Repair and Demolition Fund

The Department’s Salaries General Account is partially funded by the Repair and Demolition Fund (Fund) in the amount of \$423,677. In the past two fiscal years the Fund has been unable to fully support budget appropriations due to delays in reimbursements from property owners as a result of the Mayor’s Tolling Order during the COVID-19 emergency declaration. In 2022-23, the Mayor and Council approved a Reserve Fund loan of \$404,657 to address the Fund’s cash flow issues with the anticipation that it would be repaid once lien hearings restarted. The Mayor’s Tolling Order was lifted by Executive Directive 1 on February 28, 2023, and lien hearings restarted on May 3, 2023. In light of the restarted lien hearings and year-to-date revenue we project that the Fund will receive sufficient revenue to repay the existing Reserve Fund loan by year end. The Fund has received \$730,552 in revenue through March 2023.

This Office recommends the following transaction at this time:

- Transfer \$153,010 from the Expenditure Account within the Repair and Demolition Fund to the General Services Department for abatement work at 436 S. Boyle Avenue.

**D. Cannabis Regulation
No Recommendation**

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.95	\$ -	Surplus due to staff vacancies and hiring delays.
Salaries As Needed	0.03	-	Surplus is based on prior-year and year-to-date expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Travel	\$ (0.02)	\$ -	Overspending due to unbudgeted expenditures.
Transportation	(0.01)	-	
Special Funds Total	\$ 0.95	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 4.19	\$ 4.19	\$ -	This Office anticipates the Department will meet its General Fund revenue budget by year end.

The Department will use the projected Special Fund Salaries General surplus to address overspending in the Travel and Transportation accounts through administrative transfers. This Office does not recommend any transactions at this time.

**E. City Administrative Officer
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Contractual Services	\$ (3.00)	\$ -	Overspending due to unbudgeted contract costs for reporting to the federal government on the City's COVID-19 response and recovery costs.
General Fund Total	\$ (3.00)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 5.69	\$ 8.36	\$ 2.67	Projected revenue surplus due to unbudgeted special event reimbursements for the U.S. Open (C.F. 23-0597)

The projected Contractual Services overspending is associated with a contract with Ernst & Young LLP (\$3 million). Ernst & Young assisted the City with collection and submission of cost data to the Federal Emergency Management Agency (FEMA) to ensure the City obtained reimbursement for all eligible COVID-19 response and recovery costs. The City has submitted reimbursement requests to FEMA exceeding \$447 million, of which Ernst & Young prepared approximately \$220

million. Only \$2.5 million was transferred in 2022-23 to support this contract of the \$5.5 million in potential costs. This Office will monitor contract expenditures and anticipates requesting an appropriation to fully fund this contract in a subsequent FSR.

This Office does not recommend any transactions at this time.

F. City Attorney

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.22	\$ (0.13)	Projected surplus due to staff vacancies and continued recruitment challenges.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(0.13)	0.13	Projected overspending due to increased staff overtime to maintain service levels in light of full time vacancies and address increased workload.
Litigation Expense	(4.98)	-	Projected overspending based on current and prior-year expenditure trends.
Outside Counsel	(14.66)	2.00	Projected overspending based on current expenditure rate based on known costs through December 2023.
General Fund Total	\$ (19.55)	\$ 2.00	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (1.75)	\$ -	Projected overspending due to salary costs for grant work which has not yet been reimbursed.
Special Funds Total	\$ (1.75)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 42.05	\$ 42.52	\$ 0.47	Projected revenue surplus due to higher than anticipated forfeitures, penalties and other fee receipts.

Outside Counsel

The Outside Counsel Account overspending is primarily due to the Housing and Urban Development False Claims Act case (“Mei Ling”) and over 50 police protest cases handled by outside counsel. On October 4, 2023, the Council approved a transfer from the Unappropriated Balance, Outside Counsel Account (\$3,050,000), which exhausted funds set aside in this account. In that same action, the Council also instructed this Office to address the remainder of projected expenses for outside counsel through December 2023 in the First FSR (C.F. 23-0970), by transferring an additional \$1.11 million¹ to the Outside Counsel Account.

The Council also approved the City Attorney’s report relative to a request for \$4.6 million in appropriations for continuing outside counsel representation in the high exposure Housing and Urban Development False Claims Act case (“Mei Ling”) (C.F. 17-0713). The Council also instructed this Office to address this further projected overspending through future FSRs. This Office recommends a transfer of \$2 million from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Outside Counsel Account to partially address projected overspending.

This Office recommends the following transactions at this time:

- Transfer \$131,000 from the Salaries General Account to the Overtime General Account to address projected overspending.
- Transfer \$2 million from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Outside Counsel Account to partially address projected overspending.

G. City Clerk
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.31	\$ (0.20)	Projected surplus due to staff vacancies and hiring delays. The Department's vacancy rate is 24 percent through August 2023.
Printing and Binding	0.01	-	Projected surplus based on prior-year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Contractual Services	(0.20)	0.20	Projected overspending due to unbudgeted buildout and furnishing costs for the Passport Acceptance Agency Office.
Elections	(2.15)	2.15	Projected overspending based on the estimated cost for the Los Angeles County invoice for the Council District 6 June Runoff Election.
General Fund Total	\$ (2.04)	\$ 2.15	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 0.66	\$ 0.60	\$ (0.06)	Projected revenue shortfall due to delays in the establishment of the City Clerk's Passport Acceptance Office.

This Office recommends transferring \$200,000 from the projected Salaries General surplus to address overspending in the Contractual Services Account due to unbudgeted costs for the establishment of the Passport Acceptance Agency Office. Additionally, we recommend transferring \$2.15 million from the Election Expenses - Special Runoff 2023 Account within the Unappropriated Balance to pay the estimated cost for the Los Angeles County invoice that is anticipated to be received in November 2023.

This Office recommends the following transactions at this time:

- Transfer \$200,000 from the Salaries General Account to the Contractual Services Account for the Passport Acceptance Office buildout and furnishing costs.
- Transfer \$2,150,000 from the Unappropriated Balance, Election Expenses - Special Runoff 2023 Account to the City Clerk’s Elections Account to pay for the County invoice for the June 2023 CD 6 Special Runoff Election. The payment is due 30 days after receipt of the invoice, which is expected in October 2023.

**H. City Planning
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$1.64	\$ -	Projected surplus due to staff vacancies, hiring delays, and filling positions in-lieu with lower level classifications. The current vacancy rate is approximately 24 percent.
General Fund Total	\$ 1.64	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 4.00	\$ -	Projected surplus due to staff vacancies, hiring delays, and filling positions in-lieu with lower level classifications. The current vacancy rate is approximately 24 percent.
Special Funds Total	\$ 4.00	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 16.06	\$ 15.02	\$ (1.04)	Projected revenue shortfall due to reduced related cost reimbursements associated with special funded vacancies.

This Office does not recommend any transactions at this time.

I. City Tourism Department
Attachment 3 – New Appropriations
Attachment 5 – Transfers between Departments and Funds

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.30	\$ -	Surplus due to staff vacancies.
Other Surplus Accounts	0.05	-	Projected surpluses in various expense accounts based on year-to-date and prior-year expenditure trends.
Special Funds Total	\$ 0.35	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 1.14	\$ 1.48	\$ 0.34	Projected revenue surplus due to the receipt of 2022-23 related costs reimbursements from the Los Angeles Convention Center Revenue Trust Fund.

This Office recommends the following transaction at this time:

- Appropriate \$399,356 from the available cash balance of the Los Angeles Convention Center Revenue Trust Fund No.725/48 to the Reimbursement of General Fund Costs Account No. 48299Y within that fund. Subsequently transfer the amount to the City Tourism

Department Revenue No. 100/48 to the Reimbursement of Related Costs – Prior Year Revenue Source Code No. 5331 for unreimbursed related costs from 2022-23.

**J. Civil, Human Rights, and Equity
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.03	\$ -	Surplus due to delayed hiring and attrition of one Sr. Project Coordinator.
Salaries As-Needed	0.06	-	Surplus due to delayed Discrimination Enforcement commission hearings and current year expenditure trends.
Other Surplus Accounts	0.04	-	Surplus based on current year expenditure trends and projected operational needs through year end.
General Fund Total	\$ 0.13	\$ -	

L.A. REPAIR Program

The LA REPAIR Innovation Fund currently has a balance of \$9.8 million and this Office projects a year-end surplus of \$6.6 million. The surplus is a result of program implementation delays due to accounting support issues and contract execution delays. Any further delays will result in a significant increase in the projected year-end L.A. REPAIR Innovation Fund surplus. Due to a scarcity of candidates, the City Clerk has experienced challenges filling one Accountant position authorized to support these programs. The City Clerk has advised that it is unable to absorb the additional workload from these programs without this position. CHRED is exploring other options to filling this position (e.g. 120-day employees). Once the Accountant is hired, we anticipate that the first disbursement of funds will begin for the L.A. REPAIR participatory program. The Department anticipates that the second phase and disbursement of funds will begin in July 2024.

The Department does not have a General Fund revenue budget. This Office does not recommend any transactions at this time.

**K. Community Investment for Families
Recommendation Nos. 6 and 7**

Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Contractual Services	\$ (0.07)	\$ 0.07	Overspending due to unanticipated expenditures for evaluation services.
General Fund Total	\$ (0.07)	\$ 0.07	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (0.17)	\$ 0.33	Overspending is primarily due to unbudgeted payouts for employees that have either retired or resigned.
Other Overspending Accounts	(0.12)	0.12	Overspending in various expense accounts due to unbudgeted Community Services Block Grant expenditures.
Special Funds Total	\$ (0.29)	\$ 0.45	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 3.18	\$ 3.17	\$ (0.01)	Projected revenue shortfall due to the lack of available HOME-ARP funds to reimburse the General Fund for related costs.

This Office recommends realigning the budget with available grant funds to address special fund overspending in the Salaries General, Salaries As-Needed, Printing and Binding, Contractual Services, Transportation, and Office and Administrative accounts and releasing and reappropriating funds from the prior-year to address General Fund overspending in the Contractual Services Account.

This Office recommends the following transactions at this time:

- Disencumber and reappropriate up to \$74,598.88 from Fiscal Year 2022-23 in the Department’s Contractual Services Account to the current fiscal year to continue FamilySource Center evaluation services in 2023-24.
- Increase appropriations totaling \$500,312.06 within the Community Services Block Grant Trust Fund to align 2023-24 budgetary appropriations in various accounts with available grant funds.
- Reappropriate \$33,704.01 in 2022-23 balances within the CIFD Miscellaneous Grants and Awards Fund to the Department’s Salaries General and Reimbursement of General Fund Costs accounts to continue support for the Survivors First Program in 2023-24.

**L. Controller
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.051	\$ -	Surplus due to staff vacancies and hiring delays.
<i>Overspending (Shown as Negative, in millions)</i>			
Contractual Services	(0.906)	0.906	Overspending due to unfunded contractual costs associated with HRP parallel testing services
Travel	(0.020)	-	Overspending due to unbudgeted travel expenses.
General Fund Total	\$ (0.875)	\$ 0.906	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 6.114	\$ 5.822	\$ (0.292)	Revenue shortfall is due to reduced related costs reimbursements associated with revised indirect cost rates.

The projected Contractual Services overspending relative to Human Resources and Payroll (HRP) parallel testing will be addressed through a transfer from the Information Technology Agency's Contractual Services Account. This transfer is addressed in the ITA narrative. The projected Travel overspending will be addressed through a pending administrative transfer from the Salaries General Account. The projected Salaries General surplus assumes that the Controller will be able to meet its very aggressive hiring plan. If this does not occur, we will likely report continually increasing projected surpluses in this account in future FSRs.

This Office does not recommend any transactions at this time.

M. Council

Recommendation No. 8

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

The Council requests the following transactions at this time:

- Amend Council Budgetary Department Footnote No. 2 in the 2023-24 Adopted Budget to increase the apportionment of Contingent Expense Account funds for each Council member from \$10,000 per Council member to \$20,000 per Council member.
- Transfer \$2,300,000 from the Council's Salaries General Account to the Salaries As-Needed (\$1,000,000), Printing and Binding (\$150,000), Travel (\$25,000), Contractual Services (\$150,000) and Office and Administrative (\$975,000) accounts to align the Council's operating budget with current expenditure patterns.
- Transfer \$250,000 from the State AB 1290 City Fund, Council District 10 Redevelopment Fund Account to the General City Purposes Fund, Community Services Council District 10 Account for community services and programs.
- Transfer \$216,825 from the State AB 1290 City Fund, Council District 14 Redevelopment Fund Account to the Pershing Square Park and Garage Fund, Pershing Square Operation Account to support Pershing Square Events.
- Transfer \$350,000 from State AB 1290 City Fund, Council District 14 Redevelopment Fund to the Council's Salaries As-Needed Account to support Council District 14 expenses.
- Transfer \$178,000 from the UB, Reserve for Mid-Year Adjustments Account to the Council's Contractual Services Account for the Los Angeles Living Wage Ordinance and Los Angeles Hotel Worker Minimum Wage Ordinance Study.
- Transfer \$460,000 from the UB, Reserve for Mid-Year Adjustments Account to the Council's Contractual Services Account for the Public Bank Study (Phase 1).

- Transfer \$78,281 from the Unappropriated Balance, Equipment, Expenses, Alterations and Improvements Account to the General Services Department’s Hiring Hall Construction (\$47,997), Benefits, Hiring Hall Construction (\$19,825), and Construction Materials (\$10,459) accounts to cover City Hall construction costs.
- Transfer \$84,092.75 from the Unappropriated Balance, Equipment, Expenses, Alterations and Improvements Account to the Information Technology Agency’s Communication Services Account to cover costs for the replacement of the camera system for Council District 3.

N. Cultural Affairs
Attachment 3 – New Appropriations

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.210	\$ -	Projected surplus due to staff vacancies. The Department has a 35 percent vacancy rate.
Contractual Services	0.128	-	Projected surpluses based on prior-year expenditure trends. The Department anticipates increased spending to return to pre-pandemic operations and service levels at the City's art centers and theaters.
Art and Music Expense	0.140	-	
Operating Supplies	0.173	-	
Transportation	0.002	-	Projected surplus based on prior-year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Special Appropriations III	(5.242)	5.242	Projected overspending due to costs associated with postponed 2022-23 programs and outstanding invoices.
Special Funds Total	\$ (4.590)	\$ 5.242	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 6.065	\$ 6.069	\$ 0.005	Projected revenue surplus due to unbudgeted year-to-date revenue receipts.

This Office recommends using a portion of the Arts and Cultural Facilities and Services Trust Fund available cash balance to address Special Appropriations III Account overspending as these funds were intended to be used for the prior-year programs driving overspending in this account.

This Office recommends the following transactions at this time:

- Appropriate \$5,242,482 from the available cash balance of the Arts and Cultural Facilities and Services Trust Fund to address overspending associated with postponed 2022-23 programs and outstanding invoices.

**O. Disability
Recommendation No. 9**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.10	\$ -	Projected surplus due to staff vacancies and hiring delays. Departmental vacancy rate is 22 percent as of the end of August 2023.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries, As-Needed	(0.03)	-	Projected overspending is based on current usage of part-time employees in light of full-time vacancies.
Contractual Services	(0.07)	0.07	Projected overspending due to the inadvertent over-encumbrance of 2022-23 contracts with funding authorized for reappropriation in the 2022-23 Year-End FSR for 2023-24 Durable Medical Equipment. These funds have been disencumbered and are available for transfer.
Other Overspending Accounts	(0.01)	-	Projected overspending is based on current and prior-year expenditure trends and projected operational needs through year end for travel and staff overtime.
General Fund Total	\$ (0.01)	\$ 0.07	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.04	\$ -	Projected surplus due to delayed hiring of a Senior Project Coordinator in the ADA Compliance Division.
Special Funds Total	\$ 0.04	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 0.17	\$ 0.10	\$ (0.07)	Revenue shortfall is due to reduced related costs associated with the vacant position in the ADA Compliance Division.

This Office recommends the following transaction at this time:

- Authorize the early reversion of the liquidated encumbrance of \$66,137 within the 2022-23 Department on Disability Contractual Services Account, revert the disencumbered amount to the Reserve Fund, subsequently transfer the amount to the Unappropriated Balance, and appropriate therefrom to the 2023-24 Department on Disability Contractual Services Account for the Durable Medical Equipment program. Due to a technical error, there were insufficient funds available to reappropriate into the current year as authorized in the 2022-23 Year End FSR.

**P. Economic and Workforce Development
Recommendation No. 10**

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.659	\$ (0.027)	Surplus due to staff vacancies and hiring delays.
Contractual Services	1.240	-	Surpluses based on prior-year expenditure trends and projected operational needs through year end.
Other Surplus Accounts	0.007	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Leasing	(0.009)	-	Overspending due to unbudgeted relocation costs.
General Fund Total	\$ 1.897	\$ (0.027)	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.873	\$ 0.348	Surplus due to staff vacancies and hiring delays.
Salaries As-Needed	0.216	0.002	Surpluses based on prior-year expenditure trends and projected operational needs through year end.
Contractual Services	0.415	0.089	
Other Surplus Accounts	0.658	0.008	
<i>Overspending (Shown as Negative, in millions)</i>			
Leasing	(0.401)	0.069	Overspending due to unbudgeted relocation costs.
Special Funds Total	\$ 3.761	\$ 0.517	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 3.949	\$ 3.949	0.00	This Office projects that the Department will meet its General Fund revenue budget by year end.

This Office recommends partially addressing the projected Leasing Account overspending through the reappropriation of unspent ARPA Business Assistance Program funds. This Office will continue to work with the Department to monitor Leasing costs and report in future FSRs with recommendations necessary to address the remaining overspending.

Californians for All Grant

The Californians for All Grant is a \$53.3 million grant awarded by the State of California for youth workforce development programs with a grant performance period of January 2022 through July 2024. Due to significant staffing issues within the Department’s Financial Management Division, as well as 100 percent supporting documentation requirements for state reporting, the Department has struggled to cash-flow this reimbursement-based grant. In June 2023, the Mayor and Council authorized a \$4.5 million Reserve Fund loan to support grant operations in June 2023, to be repaid upon completion of the grant performance period and full reimbursement of expenditures by the state. The Department has fully expended this \$4.5 million and is currently awaiting over \$10 million in reimbursements from the state. A Motion (Blumenfield – Krekorian) (C.F. 23-1073) was introduced on September 29, 2023, to provide an additional \$10 million Reserve Fund loan to ameliorate payment delays to service providers. This Motion was approved by the Budget, Finance and Innovation Committee on October 11, 2023 and is currently pending further consideration by the full Council.

Gang Injunction Curfew Settlement Program

In April 2017, the federal court approved the Gang Injunction Curfew Settlement Agreement was executed (C.F. 16-0081), which obligated the City, through the EWDD, to provide a variety of work-readiness and employment services over four years to help prepare members of the impacted plaintiff class or their qualifying designees to enter the workforce. The number of potentially qualifying participants is approximately 6,000. The City was required to expend a minimum of \$1.125 million to a maximum of \$7.5 million each year for four years to provide jobs, education, and tattoo removal services. EWDD reimburses contractual expenses under this program following the receipt and processing of invoices and expends from the balance of funds on a rolling basis. Uncommitted funds that were available at the close of June 2023 are eligible to support funding needs for the fourth program extension period through June 2024. The 2023-24 Adopted Budget also set aside \$5,023,480 in the Unappropriated Balance with an instruction to the Department to report back through the Financial Status Report or other means if funding is needed to support expenditures in the current and final year. This funding instruction was duplicated in the Department’s Year 24 Annual Plan (C.F. 23-0602) and a recommendation is included in this report

to rescind the duplicative instruction. Funding of \$5,023,480 remains available in the Unappropriated Balance to support this program upon Council approval of additional program funding requests.

This Office recommends the following transactions at this time:

- Rescind transaction 13f in the Controller Instructions Attachment of the CAO report regarding the Workforce Development Board Annual Plan (C.F. 23-0602) which transferred \$5,023,480 from the Reserve Fund to the Gang Injunction Fund, as this transfer was duplicative of the funding provided in the 2023-24 Adopted Budget. There will be no change to the level of funding provided for the Gang Injunction Settlement Agreement as funding of \$5,023,480 remains available in the Unappropriated Balance to support this program upon Council approval of additional program funding requests.
- Transfer \$80,000 within the Community Development Trust Fund to support fiscal monitoring reviews of BusinessSource Centers and other Community Development Block Grant-funded contracts.
- Reappropriate \$990,072 in American Rescue Plan Act Business Assistance Programs funding to various departmental accounts for the LA Optimized Program (\$493,622) and the Legacy Business Recovery Program (\$496,450) for current year expenditures.
- Reappropriate \$233,800 in Californians for All Youth Workforce Development Grant funding for the Community Investment for Families Department (\$54,577) and the Board of Public Works (\$179,223) to support continued implementation of the youth workforce programs within those departments.
- Reappropriate \$86,189.63 in the Equitable Community Revitalization Grant fund for current year salary and reimbursement of related costs expenditures.
- Transfer a total of \$42,814 from the Department's Salaries General Account to the Personnel Department Salaries General Account for support of the Economic Development Program as follows: \$28,862 (General Fund), \$13,066 (Community Development Trust Fund), and \$2,886 (CRA/LA Excess Non-Housing Bond Proceeds Fund). Upon review and verification of expenditures, the funds will be transferred to the Personnel Department as reimbursement.
- Transfer \$6,378 in FY 2021-22 ARPA funds for current year Personnel Department salaries supporting the LA Optimized Program.
- Transfer \$3,189 in FY 2021-22 ARPA funds for current year Personnel Department salaries supporting the Legacy Business Recovery Program.

- Transfer \$81,270.88 in FY 2022-23 Californians for All Youth Workforce Development grant funds for the Community Investment for Families Department (CIFD) for current year CIFD salaries.
- Transfer \$11,827,181 in FY 2022-23 Californians for All Youth Workforce Development grant funds for the Board of Public Works for current year BPW salaries and contractual services. This is the unexpended balance from the \$15,003,626 loan from the Public Works Trust Fund No. 834.
- Transfer \$1,605 in FY 2022-23 Equitable Community Revitalization Grant appropriations for the Personnel Department for current year EWDD salaries.

Q. El Pueblo
Attachment 3 – New Appropriations

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Water and Electricity	\$ 0.044	\$ -	Projected surpluses based on current encumbrances, prior-year expenditure trends, and anticipated operational costs through year end.
Special Events	0.020	-	
Office and Administrative	0.017	-	
Other Surplus Accounts	0.014	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.054)	-	Projected overspending due to an unbudged salary increase for non-represented employees.
Salaries As-Needed	(0.269)	0.285	Projected overspending due to the front-funding of museum guide costs pending the receipt of reimbursements from the Department of Cultural Affairs.
Overtime General	(0.005)	-	Projected overspending based on year-to-date expenditure trends.
Special Funds Total	\$ (0.234)	\$ 0.285	

This Office recommends appropriating \$285,000 from the El Pueblo de Los Angeles Historical Monument Revenue Fund to address projected overspending in the Salaries As-Needed Account. This Office will continue to work with the Department to monitor its expenditure accounts and report in future FSRs with transactions necessary to address the remaining overspending. The Department does not have a General Fund revenue budget.

This Office recommends the following transaction at this time:

- Appropriate \$285,000 from the El Pueblo de Los Angeles Historical Monument Revenue Fund (Arts and Cultural Facilities Trust Fund) to the El Pueblo Salaries As-Needed Account for museum guide costs at El Pueblo.

**R. Emergency Management Department
Attachment 4 – Transfers between Accounts within Departments and Funds**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries, General	\$ 0.110	\$ -	Surplus due to staff vacancies.
Office and Administrative	0.025	-	Surpluses based on prior-year expenditure trends excluding outlier years with pandemic impacts or one-time software purchases.
Overtime General	0.028	-	
Salaries, As-Needed	0.008	-	Surplus based on year-to-date expenditure trends and projected operational needs through year end.
Contractual Services	0.003	-	Surplus based on lower monthly lease rentals and meter reads.
General Fund Total	\$ 0.175	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 0.11	\$ 0.11	\$ -	The Department anticipates meeting its General Fund Revenue budget by year end.

This Office recommends the following transactions at this time:

- Transfer \$44,859.90 from the Emergency Operations Fund (EOF) FY22 Contractual Services (\$43,809.46) and the EOF FY23 Other Operating Equipment (\$1,050.44) accounts to the EOF FY24 Other Operating Equipment Account for the replacement of a Bi-Directional Amplifier communication system in Emergency Operations Center.

- Transfer \$21,862.86 from the EOF FY19 Contractual Services (\$1,346.01) and the EOF FY22 Contractual Services (\$20,516.85) accounts to the EOF FY24 Contractual Services Account for server and storage maintenance services.
- Transfer \$15,462.93 from the EOF FY22 Contractual Services Account to the EOF FY24 Contractual Services Account for the replacement of audio and visual equipment in the EOC Main Coordination Room.

**S. Employee Relations Board
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries As-Needed	\$ 0.020	\$ -	Surplus due to vacancies on the Employee Relations Board (Board). This account is used to pay Board members on a per-meeting basis.
Other Surplus Accounts	0.021	-	Surplus is based on year-to-date and prior-year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.005)	-	Overspending due to unbudgeted sick time payouts.
General Fund Total	\$ 0.036	\$ -	

This Office anticipates that the projected Salaries General overspending will be addressed through an administrative transfer from the Office and Administrative Account late this fiscal year. The Department does not have a General Fund revenue budget. This Office does not recommend any transactions at this time.

T. Ethics
No Recommendation

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries As-Needed	\$ 0.06	\$ -	Surplus is due to lower projected need for as-needed staff due to new full-time positions approved in the 2023-24 Adopted Budget.
Contractual Services	0.14	-	Surplus is based on anticipated need for special prosecutor services this fiscal year.
Overspending (Shown as Negative, in millions)			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Salaries General	(0.20)	-	Overspending is due to early hiring of positions funded for only nine-months in the Adopted Budget and discrepancies between 2023-24 budgeted salaries compared to actuals.
Special Funds Total	\$ -	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 1.23	\$ 1.23	\$ -	The Department anticipates meeting its General Fund revenue budget by year end.

This Office anticipates using the projected surpluses in the Salaries As-Needed and Contractual Services accounts to fully offset the Salaries General overspending. This Office will continue to work with the Commission to monitor expenditures and report in a future FSR with recommendations necessary to address the projected Salaries General overspending.

This Office does not recommend any transactions at this time.

U. Finance

Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 3.05	\$ (0.44)	Projected surplus due to staff vacancies and hiring delays.
Other Surplus Accounts	0.28	-	Projected surplus in various expense accounts based on year-to-date expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.11)	0.11	Overspending due to the increased need for as-needed staff support in light of full-time vacancies to address workload during the peak season.
Overtime General	(0.10)	0.10	Overspending due to increased need for staff overtime in light of full-time vacancies to address workload during the peak season.
Other Overspending Accounts	(0.37)	0.23	Overspending due to the unanticipated relocation of the Department to the Gas Company Tower and higher than anticipated mailing costs.
General Fund Total	\$ 2.75	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 11.33	\$ 11.23	\$ (0.10)	Projected revenue shortfall based on below plan year-to-date trends for several fees.

This Office recommends using the projected Salaries General surplus to address overspending in the Salaries As-Needed and Overtime General accounts, and to partially address overspending in the Furniture, Office, and Technical Equipment Account. The remaining overspending in the Furniture, Office, and Technical Equipment Account will be addressed through a pending administrative transfer. This Office will continue to work with the Department to monitor its expense accounts and report in future FSRs with recommendations necessary to address projected overspending.

This Office recommends the following transactions at this time:

- Transfer \$210,000 from the Salaries General Account to the Salaries As-Needed (\$110,000) and Overtime General (\$100,000) accounts to address projected overspending.
- Transfer \$229,000 from the Salaries General Account to the Furniture, Office, and Technical Equipment Account to purchase equipment associated with the Department's relocation to the Gas Company Tower.

V. Fire
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 4.26	\$ (1.25)	Surplus due to staff vacancies and hiring delays.
Salaries Sworn	6.15	(11.84)	Surplus due to staff vacancies and hiring delays.
Overtime Sworn	0.73	-	Surpluses are based on lower than anticipated year-to-date expenditures and prior-year spending trends.
Overtime Variable Staffing	0.90	-	
Other Surplus Accounts	1.25	-	Surpluses in various expense accounts are based on prior-year and year-to-date expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Unused Sick Time	(9.21)	9.21	Overspending due to higher than anticipated costs for the annual sick time payouts for retiring members.
Overtime General	(1.90)	1.00	Overspending due to higher than anticipated staff overtime for public safety inspections and fleet maintenance.
Overtime Constant Staffing	(16.97)	-	Overspending due to increased backfill rate in light of sworn vacancies and attrition.
Contractual Services	(15.50)	0.50	Overspending due to unbudgeted contractual obligations, including the estimated PP-GEMT IGT payments (\$15 million).
Field Equipment Expense	(2.22)	2.00	Overspending due to higher than anticipated field equipment expense costs associated with the maintenance of LAFD vehicles.
Rescue Supplies and Expense	(1.71)	-	Overspending due to higher than anticipated medical and rescue supply costs.
Office and Administrative	(0.38)	0.38	Overspending due to unbudgeted costs for new software to ensure compliance with a California Health and Safety Code mandate.
General Fund Total	\$ (34.60)	\$ 0.00	

General Fund Revenue			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 269.37	\$315.27	\$ 45.90	Revenue surplus is due to projected increased revenues from the PP-GEMT IGT Program.

This Office recommends using the projected General Fund Salaries General and Salaries Sworn surpluses to address projected overspending in the Unused Sick Time, Overtime General, Contractual Services, and Field Equipment Expense accounts. While the recommended transfer from the Salaries Sworn Account would result in projected overspending, the transfer is necessary to ensure the timely payment of sick time payouts in January 2024. The transfer will not result in short term cash flow issues for the Salaries Sworn Account and this Office will continue to work with the Department to monitor spending in this account and the projected overspending in the Overtime Constant Staffing and Rescue Supplies and Expense accounts. We will report on this overspending and provide recommendations necessary to address it, in future FSRs.

Public Provider Ground Emergency Medical Transport Intergovernmental Transfer Program

Effective January 1, 2023, the State of California Department of Health Care Services (DHCS) implemented the Public Provider Ground Emergency Medical Transport (PP-GEMT) Intergovernmental Transfer (IGT) Program, which provides increased reimbursements generated by an increased fee for emergency medical transports provided by eligible public GEMT providers. This Program requires the City to make payments to the DHCS to participate. The total cost to participate during the 2023 calendar year is \$28.9 million. The funding for the \$28.9 million was provided by a Reserve Fund loan in the amount of \$9.56 million approved in 2022-23 (C.F. 23-0591), \$6.7 million from the Ground Emergency Medical Transport QAF Program Account within the Unappropriated Balance in the 2023-24 Adopted Budget, and a transfer from the Department's Salaries Sworn Account (\$12.68 million) approved by the Mayor and Council on September 11, 2023 (C.F. 23-0591-S1). The amount for the 2024 calendar year has not yet been confirmed, but the Department estimates a net payment amount of \$30 million. Of this amount, \$15 million will need to be paid in 2023-24. The Department anticipates confirmation of the 2024 amount in January 2024. The CAO will continue to monitor the projected PP-GEMT IGT payment need and recommend any necessary transfers in future FSRs.

This Office recommends the following transactions at this time:

- Transfer \$1 million from the Salaries General Account to the Overtime General Account to meet workload needs for public safety inspections and fleet maintenance.
- Transfer \$254,000 from the Salaries General Account to the Contractual Services Account to meet unfunded contractual obligations related to City requirements, legal mandates, and operating costs. The transfer will support the following contracts or services: the ESRI Citywide Enterprise (\$154,000), the LA Regional Imagery Acquisition Consortium (\$50,000), and Justice & Security Services, Inc contract (\$50,000).

- Transfer \$2 million from the Salaries Sworn Account to the Field Equipment Expense Account to maintain continuity in the maintenance and repair of emergency apparatus and fleet vehicles.
- Transfer \$9.2 million from the Salaries Sworn Account to the Unused Sick Time Account to address the sick time payout requirements of attritions and/or retirements occurring this fiscal year.
- Transfer \$375,000 from the Salaries Sworn Account to the Office and Administrative Account for CUPA Data Management Software to ensure compliance with Health and Safety Code mandate.
- Transfer \$250,000 from the Salaries Sworn Account to the Contractual Services Account to fund the Complaint Tracking System (CTS) project contract.

W. General Services
Recommendation No. 12
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 4.38	\$ (0.18)	Projected surplus due to staff vacancies. The Department has vacancy rate of 14 percent as of September 2023.
Office and Administrative	0.07	(0.07)	Projected surplus is based on prior-year expenditures and current-year anticipated costs.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(0.18)	-	Projected overspending is due to the increased use of hiring hall staff and staff overtime to maintain service levels in light of full-time vacancies.
Hiring Hall Salaries	(0.50)	-	
Hiring Hall Fringe Benefits	(0.50)	-	
Contractual Services	(1.23)	-	Projected overspending is due to the cost to replace CNG compressors at the Bureau of Street Services Southwest and Topanga yards, credit card service fees, and revenue control system and uninterruptible power supply maintenance.
Field Equipment Expense	(1.50)	-	Projected overspending is due to higher maintenance costs associated with the City's aging fleet.
Petroleum Products	(14.00)	-	Projected overspending is based on prior-year expenditures and increased fuel prices.
Utility Expense Private Company	(6.50)	0.41	Projected overspending is based on prior-year expenditures and increased utility prices.
Transportation Equipment	(0.15)	0.18	Projected overspending is due unanticipated costs for the replacement of a utility truck that was destroyed by arson.
Uniforms	(0.02)	-	Projected overspending is due to higher than anticipated costs for Fleet Services uniforms.
General Fund Total	\$ (20.13)	\$ 0.34	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 1.30	\$ -	Projected surplus due to staff vacancies. The Department has vacancy rate of 14 percent as of September 2023.
Overspending (Shown as Negative, in millions)			
Field Equipment Expense	(4.50)	-	Projected overspending is due to higher maintenance costs associated with the City's aging fleet.
Petroleum Products	(2.32)	-	Projected overspending is due to fuel costs that are not anticipated to be addressed by available funding in the Solid Waste Resources Revenue Fund and the Street Damage Restoration Fee Fund.
Uniforms	(0.02)	-	Projected overspending is due to higher than anticipated costs for Fleet Services uniforms.
Special Funds Total	\$ (5.54)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 40.39	\$ 40.39	\$ -	This Office projects that the Department will meet its General Fund revenue budget by year end.

This Office recommends using the projected General Fund Salaries General surplus to address overspending in the Transportation Equipment Account. We additionally recommend the disencumbrance of prior-year funds to partially address projected Utility Expense Private Company Account overspending. This Office will continue to work with the Department to monitor its expense accounts and report in future FSRs with recommendations necessary to address the remaining overspending.

This Office recommends the following transactions at this time:

- Authorize the disencumbrance of up to \$414,005 in 2022-23 encumbrances within the Utilities Expense Private Company Account and reappropriate up to \$414,005 to the same account in 2023-24 to partially offset projected overspending.

- Appropriate \$175,000 from Salaries General to the Transportation Equipment account to replace the damaged Building Maintenance truck.
- Transfer \$73,603 from the Office and Administrative Account to the Information Technology Agency’s Communication Services Account for the installation of two new network switches for the server room in City Hall South.

X. Housing

Recommendation Nos. 13, 14, 15, and 16

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.39	\$ (0.02)	Projected surplus is due to staff vacancies.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(0.05)	0.02	Projected overspending is due to increased staff overtime to address work backlogs.
Contractual Services	(0.50)	-	Projected overspending is due to contracting delays resulting in prior-year costs carrying over to the current year.
Leasing	(0.30)	-	Projected overspending is due to higher than anticipated lease costs for the Proposition HHH Program and administrative costs for Community Development Block Grant (CDBG) programs.
General Fund Total	\$ (0.46)	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 6.15	\$ 0.21	Projected surplus is due to staff vacancies.
Overspending (Shown as Negative, in millions)			
Salaries As-Needed	(0.53)	0.26	Projected overspending is due to increased staff overtime and use of as-needed staff to maintain service levels in light of full-time vacancies and to address work backlogs.
Overtime General	(0.26)	0.13	
Contractual Services	(0.31)	0.31	Projected overspending is due to contracting delays resulting in prior-year costs carrying over to the current year.
Transportation	(0.14)	-	Projected overspending is due to increased enforcement activity for staff who use personal vehicles for transportation to investigate tenant complaints.
Office and Administrative	(0.24)	0.25	Projected overspending is due to costs associated with moving the Department's operations to a new office.
Leasing	(2.15)	0.19	Projected overspending is due to unbudgeted lease costs for the Department's offices.
Special Funds Total	\$ 2.52	\$ 1.35	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 53.22	\$ 50.18	\$ (3.04)	Revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies.

This Office recommends using the projected Salaries General surplus to partially address overspending in the Overtime General Account and to fully address overspending in the special fund Office and Administrative Account. We additionally recommend using various current year and prior-year special fund appropriations to fully address the special fund Contractual Services overspending and to partially address the special fund Salaries As-Needed and Leasing overspending. This Office will continue to work with the Department to monitor its expense accounts, including the availability of special funds to address the General Fund leasing

overspending associated with costs for special funded programs and report in future FSRs with recommendations necessary to address any overspending.

This Office recommends the following transactions at this time:

- Reduce appropriations in the amount of \$520,749 from the Lead Grant 12 Fund's Administrative Reserve Account to align the budget appropriation with the available grant balance.
- Reduce appropriations totaling \$500,000 from prior-year accounts within the Affordable Housing Trust Fund to align appropriations with the available cash balance.
- Disencumber, revert, and reappropriate up to \$292,000 from 2022-23 appropriations within the Accessible Housing Fund to the Department's Contractual Services account to pay for online training development in 2023-24.
- Disencumber, revert, and reappropriate up to \$13,401 from 2022-23 appropriations within the Municipal Housing Finance Fund and Low and Moderate Income Housing Fund to the Department's Contractual Services account to pay for occupancy monitoring services of affordable and supportive housing units in 2023-24.
- Appropriate \$11,859 from the available cash balance to the Financial Audit Account within Low and Moderate Income Housing Fund (LMIHF) to reimburse the Controller for the payment of an invoice from MGO Certified Public Accountants for financial statements audit services related to the LMIHF.
- Appropriate \$1,211,039 from the Proposition HHH Bond Proceeds Fund to the Department's Reimbursement of Prior-Year Salary revenue to reimburse the General Fund for eligible salary expenses and related costs related to the Proposition HHH Program.
- Transfer \$153,534.50 from the Salaries General Account (\$116,102.50) and the Reimbursement of General Fund Costs (\$37,432) within various special funds to the Department's Overtime General Account to pay for costs associated with the Housing Development Bureau's overtime needs.
- Transfer \$52,008 from the Administrative Reserve Account within the SB 2 Permanent Local Housing Allocation Fund to the Salaries, As-Needed Account to pay for part time staff to assist the Prevailing Wage Unit to address backlogs.
- Transfer \$212,337 from the Salaries General (\$138,204.25) and the Reimbursement of General Fund Costs (\$74,132.76) accounts within the Rent Stabilization Trust Fund to the Salaries As-Needed Account to pay for part time staff to assist the Rental Stabilization Division to address backlogs.

- Transfer \$246,298 from the Salaries General (\$160,309) and the Reimbursement of General Fund Costs (\$85,989) accounts within the Systematic Code Enforcement Fee Fund to the Office and Administrative Account to pay for Code Inspector hardware renewal.
- Transfer \$182,935 from the Housing Department (\$135,253) and prior-year Reimbursement of General Fund Costs (\$47,682) accounts within the Small Grants Fund to the Salaries General and to the Reimbursement of General Fund Costs accounts for the administration of the REAP Grant.
- Transfer \$104,795 from the Housing Department (\$72,381) and prior-year Reimbursement of General Fund Costs (\$32,414) accounts within the Small Grants Fund to the Salaries General Account, and the Reimbursement of General Fund Costs accounts for the administration of the LEAP Grant.
- Transfer \$31,527 from the Housing Department (\$18,919) and prior-year Reimbursement of General Fund Costs (\$12,708) accounts within the Emergency Rental Assistance Fund to the Salaries General (\$16,365), Leasing (\$2,455) and Reimbursement of General Fund Costs (\$12,708) accounts for the Emergency Rental Assistance Program.
- Transfer \$57,071 from the Housing Department Account within the Lead 12 Grant Fund to the Salaries General (\$36,606) and the Leasing (\$20,465) accounts for the Lead Hazard Remediation Program.
- Transfer \$500,000 from the Housing Department Account within the Community Development Trust Fund to the Salaries General (\$335,936) and to the Leasing (\$164,064) accounts for the City's Eviction Defense Program.
- Transfer \$12,000 from the United to House LA Administrative Reserve Account within the United to House LA Fund to the Translation Services Account for the Department to provide translation services as part of the United to House LA Program.
- Transfer \$1,230 from the prior-year Reimbursement of General Fund Costs Account within the Housing and Urban Development (HUD) Connections Grant to the Salaries General Account to support program shortfalls.

Y. Information Technology Agency
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 9.17	\$ (1.32)	Surplus is due to the Department's 23 percent vacancy rate.
Contractual Services	1.00	(1.00)	Surplus is due to items budgeted within ITA but expended by other City departments for the Human Resources and Payroll Project and MyLA311 application.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.07)	0.07	Overspending is due to the increased use of as-needed and hiring hall staff, staff overtime and hiring hall overtime to support departmental operations due to vacancies.
Overtime General	(0.25)	0.25	
Hiring Hall Salaries	(0.90)	0.90	
Overtime Hiring Hall	(0.10)	0.10	
Communication Services	(0.56)	-	Overspending is due to the Department front-funding costs for the LAFD Voice Radio Switch and System Upgrade Project
General Fund Total	\$ 8.29	\$ (1.00)	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Contractual Services Account	\$ 0.27	\$ (0.27)	Surplus represents the cost for equipment the Department procured for the Council Chambers Lighting Upgrade Project that ITA must use to reimburse the original fund source.
Special Funds Total	\$ 0.27	\$ (0.27)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 6.17	\$ 6.17	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office recommends using the projected Salaries General surplus to address overspending in the Salaries As-Needed, Overtime General, Hiring Hall Salaries, and Overtime Hiring Hall accounts. We anticipate that the Communication Services overspending will be fully addressed by transfers in a future Construction Projects Report.

This Office recommends the following transactions at this time:

- Transfer \$1,315,000 from the Salaries General Account to the Overtime General (\$250,000), Salaries As-Needed (\$65,000), Hiring Hall Salaries (\$900,000), and Overtime Hiring Hall (\$100,000) accounts to address the projected overspending.
- Transfer \$906,000 from the Contractual Services Account to the Office of the Controller to pay for parallel testing support for the Human Resources and Payroll Project
- Transfer \$90,245 from the Contractual Services Account to the Bureau of Sanitation for software maintenance costs for the MyLA311 application.
- Transfer \$270,000 to the Public, Educational and Governmental Development Fund from the Department's Contractual Services Account, Telecommunications Development Fund (\$135,087) and Telecommunications Liquidated Damages and Lost Fees Fund (\$134,913), to reimburse for expenditures front-funded for the Council Chambers Lighting Project.

Z. Library
Attachment 5 – Transfers between Departments and Funds

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 4.37	\$ -	Projected surplus due to staff vacancies and hiring delays. Departmental vacancy rate is 23 percent as of August 2023.
Contractual Services	4.68	(0.92)	Projected surplus is based on current and soon to be executed contracts. As larger contracts are finalized and planned construction begins, this surplus will fluctuate.
Office and Administrative	1.99	1.23	Projected surplus is based on prior-year expenditures and current-year anticipated project costs.
Various Special	1.78	-	Projected surplus is based on average of prior-year surpluses.
Other Surplus Accounts	0.91	-	Projected surpluses in several expense accounts are based on prior-year and year-to-date expenditure trends.
Special Funds Total	\$ 13.72	\$ 0.31	

Special Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ -	\$ 0.15	\$ 0.15	Revenue surplus is from unexpected prior-year reimbursements.

Tech2Go Hotspot Program

On May 3, 2021, the Council approved the allocation of \$39,166,408 in Community Development Block Grant funding provided to the City through the CARES Act (C.F. 20-1374). This amount included an allocation of approximately \$2 million to expand the Library’s Tech2Go Hotspot Loan Program, and the allocation was appropriated to the Library in 2021-22 (C.F. 20-1515). Funding in the amount of \$1,937,605 was reappropriated to 2022-23 to continue the program. The Tech2Go Hotspot Loan Program allows Library patrons to check out a mobile hotspot device for six weeks, which they can use to connect a laptop, tablet, and other Wi-Fi enabled devices to the internet.

This Office recommends reappropriating the unspent funds to 2023-24 as the program is still in effect.

This Office recommends the following transactions at this time:

- Reappropriate \$1,228,250.06 from the Community Development Trust Fund to the Library's Office and Administrative Account to support the Tech2Go Hotspot Program which continues in 2023-24.
- Transfer \$918,717.24 from the Library's Contractual Services Account to the General Services Department's Construction Projects (\$620,473.24) and Construction Materials (\$298,244) accounts to pay for alterations, improvements, and repairs at Library facilities.

AA. Mayor

Attachment 3 – New Appropriations

Attachment 5 – Transfers between Departments and Funds

The Mayor's Office requests the following transactions at this time:

- Establish new appropriation accounts, appropriate, and transfer \$270,058.36 in interest income (\$11,546.19) and from various accounts (\$258,512.17) within the FY 19 Justice Assistance Grant Fund to the Community Law Enforcement and Recovery (CLEAR) Contractual Services Account (\$250,095.23) to support CLEAR-related activities and to the City Attorney's Salaries General (\$6,207.78) and Related Costs Reimbursement from Grants (\$2,705.35), and Mayor's Related Costs Reimbursement from Grants (\$11,050) accounts to reimburse the General Fund for City Attorney's current year salaries and related costs and Mayor's current year related costs.
- Establish a new appropriation account within the FY2020 Legislative Pre-Disaster Mitigation Grant Fund and transfer \$4,261.89 from prior year related costs to the Mayor's Related Costs Reimbursement from Grants Account to reimburse the General Fund for current year related costs.
- Establish a new appropriation account within the FY20 Justice Assistance Grant Fund and transfer \$69,348.04 from prior-year related costs to the Mayor's Related Costs Reimbursement from Grants Account to reimburse the General Fund for current year related costs.
- Establish a new appropriation account within the FY 2021 Regional Catastrophic Preparedness Grant Program Fund and transfer \$12,464.34 to the Mayor's Related Costs Reimbursement from Grants Account to reimburse the General Fund for current year related costs.

- Establish new appropriation accounts within the State Homeland Security Program Grant Fund and transfer \$87,433 from the Fire Account to the Fire Department's Overtime Variable Staffing (\$67,433) and Contractual Services (\$20,000) accounts to pay for the Fire Department's overtime costs and emergency training, and \$136,239.92 from the prior-year Police (\$31,197.27), prior-year related costs (\$4,765.83), and current year LAPD Grant Allocation (\$100,000) accounts, to the Police Department's Overtime Sworn (\$123,102.05) and Related Costs Reimbursement from Grants (\$12,861.05) accounts to reimburse the General Fund for the Police Department's current year overtime and related costs.
- Establish new appropriation accounts within the FY20 Securing the Cities (STC) Fund and transfer \$290,000 from prior-year related costs to the Mayor's Related Costs Reimbursement from Grants Account to reimburse the General Fund for Mayor current year related costs; \$124,000 from the Fire Account to the Fire Department's Overtime Variable Staffing Account to pay for the Fire Department's current year overtime costs; and, \$569,048.79 from the Police Account to the Police Department's Overtime Sworn (\$519,964.17) and Related Costs Reimbursement from Grants (\$49,084.62) accounts to reimburse the General Fund for the Police Department's current year overtime and related costs.
- Transfer \$620,000 from the General City Purposes Fund, International Engagement Account to the Mayor's Salaries General (\$525,000), Travel (\$25,000), Contractual Services (\$45,000), and Office and Administrative (\$25,000) accounts to pay for administrative costs and activities related to International Engagement.

**BB. Neighborhood Empowerment
No Recommendation**

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.013	\$ -	Projected surplus due to staff vacancies and delayed hiring.
Printing and Binding	0.002	-	Projected surpluses based on prior-year expenditure trends and projected operational needs through year end.
Transportation	0.001	-	
Office and Administrative	0.055	-	
Communication Services	0.007	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.003)	-	Projected overspending due to increased use of as-needed staff due to vacancies.
Contractual Services	(0.017)	-	Projected overspending due increased translation requests associated with the return to in-person Neighborhood Council meetings.
Operating Supplies	(0.002)	-	Overspending due to the return to in-person Neighborhood Councils meetings.
Special Funds Total	\$ 0.056	\$ -	

The projected shortfalls in the Salaries As-Needed, Contractual Services, and Operating Supplies accounts will be addressed through administrative transfers from the Office and Administrative Account. The Department does not have any budgeted General Fund revenue. This Office does not recommend any transactions at this time.

CC. Personnel
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 3.06	\$ (0.18)	Projected surplus due staff vacancies and positions filled in-lieu with lower level classifications.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	\$ (0.18)	0.18	Projected overspending due to increased staff overtime to maintain service levels in light of full-time vacancies and evening and weekend staffing for events such as job fairs and the 24/7 operations of the City's jails.
General Fund Total	\$ 2.88	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.11	\$ -	Projected surplus due to vacant positions funded by the Sewer Operations and Maintenance Fund and the Deferred Compensation Plan Trust Fund.
<i>Overspending (Shown as Negative, in millions)</i>			
Employee Transit Subsidy	\$ (0.53)	0.53	Projected overspending due to increased requests for transit reimbursement as employees return to in-office operations.
Special Funds Total	\$ (0.42)	\$ 0.53	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 28.43	\$ 28.43	\$ -	The Department anticipates meeting its General Fund revenue budget by year end.

This Office recommends the following transactions at this time:

- Transfer \$175,000 from the Salaries, General Account to the Overtime General Account to address projected overspending.
- Transfer \$534,000 from the Reserve Account within the City Employee's Ridesharing Trust Fund to the Employee Transit Subsidy Account to address projected overspending.

DD. Police
Recommendation Nos. 18, 19, and 20
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries As-Needed	\$ 1.14	\$ (0.35)	Projected surplus based on prior-year and year-to-date expenditure trends, and projected operational needs through year end.
Uniforms	1.19	(0.41)	Projected surpluses based on prior-year utilization rates.
Other Surplus Accounts	3.54	1.01	Projected surpluses in several expense accounts are based on prior-year and year-to-date expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.79)	-	Overspending due to projected hiring and costs associated with the After-Action Report Implementation Plan.
Salaries Sworn	(106.07)	-	Overspending primarily due to costs associated with the agreement with the Los Angeles Police Protective League (LAPPL) and projected hiring.
Overtime Sworn	(34.81)	0.03	Overspending due to year-to-date expenditure trends and increased overtime costs associated with the agreement with LAPPL.
Contractual Services	(0.77)	0.28	Overspending based on prior-year expenditures.
Field Equipment Expense	(2.60)	-	Overspending based on prior-year expenditures and unbudgeted costs for new auto parts for delayed repairs.
Furniture, Office, and Technical Equipment	(3.68)	3.68	Overspending due to costs for the purchase of 911 consoles and a Force Options Simulator.
General Fund Total	\$ (142.85)	\$ 4.24	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Contractual Services	\$ 0.05	\$ -	Projected surplus based on prior-year special funded contract costs.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries Sworn	(0.76)	-	Overspending primarily due to costs associated with the agreement with the Los Angeles Police Protective League (LAPPL) and projected hiring.
Overtime Sworn	(2.52)	3.05	Overspending due to year-to-date expenditure trends and increased overtime costs associated with the agreement with LAPPL.
Overtime General	(0.30)	0.30	Overspending based on prior-year special fund utilization rates.
Special Funds Total	\$ (3.53)	\$ 3.35	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 204.30	\$ 175.95	\$ (28.35)	Revenue shortfall primarily due to reduced MTA service levels and current usage and reduced reimbursements from Library and LAWA.

The recent agreement with the Los Angeles Police Protective League (LAPPL) is projected to increase direct spending by a total of \$97.07 million in the Salaries Sworn (\$79.75 million) and Overtime Sworn (\$17.32 million). This is the primary single driver of projected overspending for the Department and this projection only includes direct costs that will be paid from on-budget accounts and does not include pension, healthcare and other benefits costs. The impact of the LAPPL agreement on healthcare and other benefits costs are discussed in the Human Resources Benefits section of this FSR.

This Office recommends the disencumbrance and reappropriation of prior-year funds to address the projected overspending in the Furniture, Office, and Technical Equipment Account. Additionally, the 2023-24 Adopted Budget included additional funding in the amount of \$101.8 million within the following accounts in the Unappropriated Balance that may be used to address the projected overspending: 1) Police Department Hiring Bonus (\$3.65 million); 2) Police Department Hiring and Overtime (\$10 million); 3) After-Action Implementation Plan (\$8.83 million); 4) Police Department

Sworn Overtime - Interim Homeless Housing (\$6.27 million); and, 5) Department Payroll Reconciliation (\$73.05 million). On October 20, 2023, the Council approved Motion (Rodriguez-Krekorian) which authorized the transfer of the Police Department Sworn Overtime - Interim Homeless Housing funds (\$6.27 million) to the Department’s Sworn Overtime Account. This transfer is reflected in our projections. On September 1, 2023, the Department released a report requesting the transfer of After-Action Implementation Plan Account funds (\$8.83 million), which is pending Council consideration (C.F. 23-0600-S106). The table below summarizes the projected General Fund year-end balance for the accounts with related funding included in the Unappropriated Balance or that are impacted by the agreement with LAPPL. The total amount from this table reflects overspending that is the result of operational decisions made by the Department.

General Fund Balances for Accounts with UB Funding and MOU 24 Deal Impacts (Figures in Millions)	
Account Name	Projected Year-End Balance
Salaries General	\$ (0.18)
Salaries Sworn	(9.04)
Overtime General	0.92
Overtime Sworn	(13.60)
Firearms Ammunition and Other Devices	0.42
Field Equipment Expense	(2.49)
Total	\$ (23.97)

This Office will continue to work with the Department to monitor its spending and to formulate mitigation measures to reduce projected overspending. This Office will report in future FSRs with updated projections and transactions necessary to address projected overspending.

Sworn Hiring

From June 25, 2023, through August 31, 2023, the Department hired two recruit classes for a total of 57 additional officers. The Department plans to hire 600 new recruits and 200 officers through the BOUNCE/Recall Program. Our expenditure projections only assume the Department will hire 524 new recruits and 150 officers through the BOUNCE/Recall Program by year end, based on year-to-date hiring trends. Officer attrition through August 2023 was 153 versus the 95 assumed in the Adopted Budget. Hiring through August 2023 is 52.5 percent lower than assumed in the Adopted Budget (57 actual hires versus 120 budgeted). As of August 31, 2023, there are 8,959 officers deployed Citywide, including 18 Municipal Police Officers.

This Office recommends the following transactions at this time:

- Authorize the Controller to disencumber up to \$4,439,562.36 from 2022-23 encumbered funds for 911 dispatch consoles and reappropriate those funds to 2023-24 due to procurement delays in 2022-23.

- Authorize the Controller to disencumber up to \$183,254.53 from 2022-23 encumbered funds for a replacement Force Options Simulator (FOS) machine and reappropriate those funds to 2023-24 due to procurement delays in 2022-23.
- Authorize the Controller’s Office to process the revision of the Fiscal Year 2021-22 and 2022-23 Year-End Reversion Worksheets submitted by the Police Department on October 25, 2023.
- Transfer \$284,560 from the Office and Administrative Account to the Contractual Services Account to pay Los Angeles Regional Crime Lab fees.
- Transfer \$353,627 from the Salaries As-Needed Account to the Transportation Equipment Account to complete the planned purchase of 103 leased electric vehicles (EV) used by both sworn and civilian staff members for administrative functions.
- Transfer \$414,112 from the Uniforms Account to the General Services Department’s Field Equipment (\$87,112) and the Information Technology Agency’s Communication Services (\$327,000) Accounts to fund the installation of Cellular Downlink in the Department’s helicopters.
- Transfer \$30,000 from the State AB1290 City Fund, CD 2 Redevelopment Projects – Services Account to the Overtime Sworn Account for fireworks suppression.
- Reappropriate \$3,389,973.62 from the uncommitted balances remaining in various accounts within the Police Department Grant funds as follows:

Grant Program	Amount
2022 Selective Task Force Enforcement	\$1,457,226.66
2022 Internet Crimes Against Children – CalOES	110,000.00
2021 Internet Crimes Against Children – OJJDP	205,748.63
2022 Coverdell Forensic Science	8,000.00
2022 COPS Microgrant	42,500.00
2022 Body-Worn Camera – Training	267,947.00
2021-23 Intellectual Property Enforcement Grant	39,002.97
2021-23 Crisis Response Training	48,213.44
2021 CPD De-Escalation	31,575.66
2022 CPD – De-Escalation Training	180,636.00
2020 Port Security Grant	21,774.82
2021 Comprehensive Youth Violence Prevention and Reduction Program	11,400.00
2022 Body-Worn Camera – Digital Evidence Management	79,215.00
2022 Off-Highway Motor Vehicle Recreation – Law Enforcement	76,630.00
2022 Off-Highway Motor Vehicle Recreation – Education and Safety	168,000.00
2020 Project Safe Neighborhood	1,223.22

2021 Project Safe Neighborhood	149,468.00
2023 Regional Threat Assessment Center	20,102.00
2022 Prosecuting Cold Cases with DNA	151,798.00
2021 Connect and Protect for Law Enforcement	95,294.93
2021 Collaborative Approaches to Addressing and Preventing Hate Crimes	221,262.18
2021 Targeted Violence and Terrorism Prevention	2,955.11
TOTAL	\$3,389,973.62

**EE. Public Accountability
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.206	\$ -	Surplus due to staff vacancies and delays in hiring.
Transportation	0.003	-	Surplus based on anticipated use of funds for the Executive Director's biweekly car allowance.
General Fund Total	\$ 0.209	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 6.58	\$ 5.89	\$ (0.69)	Revenue shortfall due to staff vacancies and reduced expense account costs which are fully reimbursed by the Department of Water and Power.

This Office does not recommend any transactions at this time.

**FF.Public Works/Board
Attachment 3 – New Appropriations**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.07	\$ -	Projected surplus due to staff vacancies.
General Fund Total	\$ 0.07	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (0.67)	\$ 0.70	Projected overspending is due to staff and contract costs associated with the Tree Guarantee Fee Planting Program, as funds have not yet been transferred to the Board.
Contractual Services	(0.74)	11.91	
Salaries As-Needed	(0.04)	0.04	Projected overspending is due to as-needed staff costs for various programs funded by the Youth Workforce Development Grant, as funds have not yet been transferred to the Board.
Special Funds Total	\$ (1.45)	\$ 12.65	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 5.57	\$ 5.57	\$ -	This Office Projects the Board will meet its General Fund revenue budget by year end.

This Office recommends the appropriation of \$1.08 million from the Public Works Trust Fund to partially address projected overspending in the special fund Salaries General Account and to fully address overspending in the Contractual Services Account. In the Economic and Workforce Development narrative, we additionally recommend a transfer from the Californians for All Youth Workforce Development Grant to fully address the remaining Contractual Services and Salaries As-Needed overspending.

This Office recommends the following transaction at this time:

- Appropriate \$1,084,639.09 from the Public Works Trust Fund to the Board's Salaries General (\$85,935.34) and Contractual Services (\$745,116.23) accounts and the Bureau of Street Services Salaries General (\$247,981.95) and Operating Supplies (\$13,489.40) accounts for costs related to the Tree Guarantee Fee Planting Plan (C.F. 16-0641-S1).

GG. Public Works/Bureau of Contract Administration
No Recommendation

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.30	\$ -	Surplus due to staff vacancies. The Bureau's vacancy rate is 25 percent.
Overtime General	0.24	-	Surplus based on projected decreased use of staff overtime due to high vacancy rate.
Contractual Services	0.34	-	Surplus based on prior-year expenditures and anticipated costs for tenant improvements to accommodate future hires.
Other Surplus Accounts	0.40	-	Surpluses in various expense accounts based on projected lower expenses due to the Bureau's vacancy rate.
General Fund Total	\$ 3.29	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 3.73	\$ -	Surplus due to staff vacancies. The Bureau's vacancy rate is 25 percent.
Other Surplus Accounts	0.32	-	Surpluses in various expense accounts based on four year average annual special fund expenditures.
Special Funds Total	\$ 4.05	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 37.39	\$ 29.40	\$ (7.99)	Revenue shortfall due to decreased need for services to proprietary departments and the inadvertent duplication of revenue in the 2023-24 Adopted Budget.

This Office does not recommend any transactions at this time.

**HH. Public Works/Bureau of Engineering
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Other Surplus Accounts	\$ 0.003	\$ -	Projected surpluses based on prior-year expenditures and anticipated operational needs through year end.
General Fund Total	\$ 0.003	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.970	\$ -	Projected surplus due to staff vacancies.
Other Surplus Accounts	0.018	-	Projected surpluses based on prior-year expenditures and anticipated operational needs through year end.
Special Funds Total	\$ 1.988	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First	Variance	Projection Basis
\$ 62.13	\$ 62.13	\$ -	This Office projects the Bureau will meet its General Fund revenue budget by year end.

This Office does not recommend any transactions at this time.

II. Public Works/Bureau of Sanitation
Attachment 3 – New Appropriations
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 10.18	\$ (1.72)	Surplus due to staff vacancies and hiring delays.
Contractual Services	8.27	-	Projected surpluses due to staff vacancies and hiring delays, resulting in underutilization of hazardous waste cleaning contracts and operating supplies, and reduced field service.
Field Equipment	1.73	-	
Operating Supplies	1.35	-	
Other Surplus Accounts	0.44	0.30	
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(1.73)	1.00	Overspending due to increased staff overtime to provide services in light of full-time vacancies.
Furniture, Office and Tech Equipment	(0.36)	0.36	Overspending due to unanticipated one-time equipment replacement costs.
Other Overspending Accounts	(0.06)	-	Overspending due to higher than anticipated training and outreach materials costs.
General Fund Total	\$ 19.81	\$ (0.06)	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 30.49	\$ (3.03)	Surplus due to staff vacancies and hiring delays.
Contractual Services	1.89	0.14	Surplus due to delays in the execution of contracts and lower than anticipated contract expenditures.
Other Surplus Accounts	1.95	-	Surpluses based on lower expenses due to vacancies and prior-year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries, As Needed	(0.78)	0.58	Overspending due to the increased use of as-needed staff to maintain service levels in light of full-time vacancies.
Overtime General	(4.99)	1.00	Overspending due to increased staff overtime to provide services in light of full-time vacancies.
Hiring Hall Salaries	(0.02)	0.80	Overspending due to increased use of hiring hall staff to maintain service levels in light of skilled trades vacancies.
Benefits Hiring Hall	(0.16)	0.50	
Special Funds Total	\$ 28.37	\$ (0.01)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 94.45	\$ 94.45	\$ -	This Office projects the Bureau will meet its General Fund revenue budget by year end.

This Office recommends transfers from the projected Salaries General surplus to fully address overspending in the Furniture, Office, and Technical Equipment, Hiring Hall Salaries and Benefits Hiring Hall accounts, and to partially address overspending in the Salaries As-Needed and Overtime General accounts. This Office will continue to work with the Bureau to monitor its expense accounts and will report in future FSRs with recommendations necessary to address the remaining overspending.

Hyperion Spill

Overtime expenditures related to the wastewater spill in 2021 continue as the Bureau has moved from emergency repairs to recovery efforts. As of August 2023, the Bureau has received payments totaling \$30.2 million from the property insurance policy for damage to the Hyperion Water

Reclamation Plant. Consultants are working with the Bureau to determine how those funds will be used to reimburse the Sewer Construction and Maintenance Fund (SCM) for eligible expenditures. The full impact of the spill is yet to be determined and this Office will provide updates and potential impacts on the SCM in future FSRs.

RecycLA Program

As a result of a ruling in a similar case, there is litigation that may impact this program in the future. This Office will continue to monitor this issue and provide updates on the potential impacts in future FSRs.

Rate Increases

Several of the Bureau's funds need rate increases. The Solid Waste Resources Revenue Fund (SWRRF) has not had a rate adjustment since 2008 and is subsidized by the General Fund in the amount of \$64.6 million in 2023-24. The Multi-Family Bulky Item Fund has not had a rate increase since it was established in 2007 and is subsidized by the General Fund in the amount of \$2.6 million in 2023-24. The SCM has not had a rate adjustment since 2020. The Bureau is currently preparing rate studies for these funds to formulate recommended rate adjustments to be presented to the Mayor and Council.

Vacancies and Related Costs

The Bureau continues to pay the related cost amounts included in its budget. Due to its high vacancy rate, the Bureau may pay related costs in excess of the required amount. We will reconcile any excess payments that may occur and provide necessary recommendations in future FSRs or through the annual budget process.

Proposition O

The Bureau projects \$179,416 in expenditures for Proposition O activities in 2023-24. These activities are front funded by the Measure W-Safe Clean Water-Municipal Program Special Fund (MWLRF) and reimbursed on a yearly basis. A Reserve Fund loan will likely occur if an appropriation to reimburse the MWLRF is not completed by year-end.

This Office recommends the following transactions at this time:

- Appropriate \$661,830 from the available cash balance of the Sewer Operations and Maintenance (SCMO) Fund to the Operations and Maintenance Reserve Account within the SCMO to meet the SCM's 45-day operations and maintenance reserve policy.
- Transfer \$360,000 from the Salaries General Account to the Office and Technical Equipment Account to fund a server replacement at the Public Works Building Data Center.
- Transfer \$300,000 from the Salaries General Account to the Office and Administrative Account to fund workstation equipment and field technology such as computers, printers, and tablets for new Livability Services administrative and operational staff that will be

assigned to the Young's Market Yard. A proposed lease for the location is currently pending review in the Municipal Facilities Committee and will require Mayor and Council approval.

- Transfer \$1,000,000 from the Salaries General Account to the Overtime General Account within the General Fund to address increased staff overtime costs to maintain service levels in light of the Bureau's high vacancy rate.
- Transfer \$1,000,000 from the Salaries General Account to the Overtime General Account within SWRRF to address increased staff overtime costs to maintain service levels in light of the Bureau's high vacancy rate.
- Transfer \$580,000 from the Salaries General Account within SCM (\$260,000), SWRRF (\$200,000), and MWLRF (\$120,000) to the Salaries As-Needed Account to address projected overspending.
- Transfer \$1,300,000 from the Salaries General Account to the Hiring Hall Salaries (\$800,000) and Benefits Hiring Hall (\$500,000) accounts within SCM to address increased hiring hall staff costs due to vacancies and critical maintenance needs at water reclamation plants.
- Transfer \$140,000 from the Salaries General Account to the Contractual Services Account within the Citywide Recycling Trust Fund (CRTF) to fund copier and communication device needs within the Solid Resources Commercial Facilities Division.
- Transfer \$5,742 from the 2022-23 Bureau of Sanitation Account within the SWRRF to the Department of Building and Safety, Reimbursement of Prior Year Salary Revenue Account, to provide a reimbursement for a position on loan in 2022-23.
- Transfer \$55,000 from the Salaries General Account to the Board of Public Works Salaries, As-Needed Account to reimburse costs associated with Personnel Human Resources Section assistance.
- Transfer \$8,500 from the Salaries General Account within SWRRF (\$7,450), SCM (\$700), the Stormwater Pollution Abatement Fund (\$70), CRTF (\$105), and the General Fund (\$175) to the Information Technology Agency (ITA) Communication Services Account for data port installation at various Bureau locations.
- Transfer \$146,092.80 from the PW-Sanitation Expense and Equipment Account within SWRRF (\$73,046.40) and SCM (\$73,046.40) to the ITA Contractual Services Account to reimburse ITA for the Bureau's annual share of fiber service lease costs in City Hall East.

**JJ. Public Works/Bureau of Street Lighting
Attachment 5 – Transfers between Departments and Funds**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.12	\$ -	Surplus due to staff vacancies.
Overtime General	0.12	-	Projected surpluses based on the prior-year expenditure rate and anticipated operational needs through year end.
Hiring Hall Salaries	0.15	-	
Benefits Hiring Hall	0.06	-	
Operating Supplies	0.07	-	Projected surplus based on the prior-year expenditure rate and projected operational needs through year end.
General Fund Total	\$ 0.52	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 5.03	\$ -	Surplus due to staff vacancies.
Operating Supplies	0.29	-	Projected surplus based on the prior-year expenditure rate and projected operational needs through year end.
Other Surplus Accounts	0.15	-	Projected surpluses based on the prior-year expenditure rate and anticipated operational needs through year end.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(0.27)	-	Projected overspending due to expenses for work performed on off-budget projects that have yet to be reimbursed.
Benefits Hiring Hall	(0.15)	-	
Contractual Services	(1.70)	-	
Street Lighting Improvements and Supplies	(1.35)	-	
Special Funds Total	\$ 2.00	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 23.79	\$ 19.78	\$ (4.01)	Revenue shortfall is primarily due to reduced related cost reimbursements due to special funded vacancies.

This Office anticipates that the projected special fund overspending in the Overtime General, Benefits Hiring Hall, Contractual Services, and Street Lighting Improvements and Supplies accounts will be fully addressed by transactions in the Second Construction Projects Report.

This Office recommends the following transaction at this time:

- Transfer \$180,000 from the Universal Broadband Services Account within the Digital Inclusion Fund to the Library for a FUSE Fellow to support digital inclusion-related outreach and engagement efforts.

KK. Public Works/Bureau of Street Services
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.59	\$ (1.50)	Projected surplus due to staff vacancies.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(0.50)	0.50	Projected overspending due to increased use of staff overtime to maintain service levels in light of full-time vacancies.
Operating Supplies	(1.00)	1.00	Projected overspending due to increased waste management costs.
General Fund Total	\$ 1.09	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 5.16	\$ (3.20)	Projected surplus due to staff vacancies.
Utilities Expense	0.43	-	Projected surplus based on year-to-date and prior-year expenditure trends.
Overspending (Shown as Negative, in millions)			
Overtime General	(1.00)	1.00	Projected overspending due to the increased use of staff overtime and hiring hall staff to maintain service levels in light of vacancies.
Hiring Hall Salaries	(0.80)	0.80	
Benefits Hiring Hall	(0.40)	0.40	
Construction Expense	(3.00)	-	Projected overspending based on year-to-date expenditure trends.
Operating Supplies	(1.00)	1.00	Projected overspending due to increased waste management costs.
Special Funds Total	\$ (0.62)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 81.70	\$ 81.70	\$ -	This Office projects the Bureau will meet its General Fund revenue budget by year end.

This Office recommends using the projected General Fund Salaries General surplus to fully General Fund overspending in the Overtime General and Operating Supplies accounts. We also recommend using special fund Salaries General surplus to address special fund overspending in the Overtime General, Hiring Hall Salaries, Benefits Hiring Hall and Operating Supplies accounts. This Office will continue to work with the Bureau to monitor Construction Expense spending and report in future FSRs with recommendations necessary to address this overspending.

This Office recommends the following transactions at this time:

- Transfer \$1,500,000 from the General Fund, Salaries General Account to the Overtime General (\$500,000) and Operating Supplies (\$1,000,000) accounts to address projected overspending.

- Transfer \$1,700,000 from the Sidewalk Repair Fund, Salaries General Account to the Overtime General (\$500,000), Hiring Hall Salaries (\$800,000) and Benefits Hiring Hall (\$400,000) accounts to address projected overspending.
- Transfer \$1,500,000 from the Special Gas Tax General Salaries General Account to the Overtime General (\$500,000) and Operating Supplies (\$1,000,000) accounts to address projected overspending.

**LL. Recreation and Parks
No Recommendation**

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 10.49	\$ -	Projected surplus due to staff vacancies. The Department's vacancy rate is 24 percent as of August 2023.
Other Surplus Accounts	0.82	-	Projected surpluses in several expense accounts based on prior-year and year-to-date annual expenditure trends.
Special Funds Total	\$ 11.31	\$ -	

Special Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 56.92	\$ 56.92	\$ -	The Department anticipates meeting its 2023-24 self-generated revenue budget.

Child Care Centers

The Department reports that eight child care centers are currently open: Jim Gilliam, Ralph Parsons, Branford, Victory-Valley, Evergreen, Downey, Ira C. Massey, Hubert H. Humphrey. The Department anticipates that the Echo Park, Van Ness, and South Park Child Care Centers will have soft openings in October 2023, and Banning Child Care Center will have a soft opening in March 2024. Repair work necessary to open the Algin Sutton, Glassell Park, and Mason Child Care Centers has yet to begin. The 2023-24 Adopted Budget includes \$5 million in the Unappropriated Balance for Child Care and Learning Centers, which the Department intends to use to rehabilitate the Roger Jessup and Rosecrans Child Care Centers. Additionally, the Department is developing child care center enrollment and subsidy policies and plans to prioritize the inclusion of low-income

families and the equitable provision of quality, affordable childcare in underserved communities in the City.

This Office does not recommend any transactions at this time.

MM. Transportation

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.60	\$ (0.51)	Projected surplus due to staff vacancies.
Salaries As-Needed	2.70	(0.20)	Projected surplus is based on prior-year expenditure trends.
Other Surplus Accounts	0.30	-	Projected surpluses based on year-to-date and prior-year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(1.55)	-	Projected overspending is due to increased staff overtime to maintain service levels in light of full-time vacancies and to support special events.
Contractual Services	(0.51)	0.51	Projected overspending is related to unbudgeted contractual services costs associated with mobility data specifications.
Office and Administrative	(0.20)	0.20	Projected overspending is due to unanticipated costs for the purchase of computers for new staff, and the replacement of obsolete computers and smartscreens.
General Fund Total	\$ 1.34	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 14.09	\$ (2.51)	Projected surplus due to staff vacancies.
Other Surplus Accounts	0.12	-	Projected surplus is based on last year's expenditures.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.41)	-	Projected overspending is due to the increased use of staff overtime and as-needed staff to maintain service levels in light of full-time vacancies.
Overtime General	(3.26)	3.21	
Special Funds Total	\$ 10.54	\$ 0.70	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 110.31	\$ 89.43	\$ (20.88)	Projected revenue shortfall due to reduced related cost reimbursements associated with special funded vacancies.

This Office recommends using the projected General Fund surplus in the Salaries General and Salaries As-Needed accounts to address General Fund overspending in the Contractual Services and Office and Administrative accounts. We also recommend using the projected special fund Salaries General surplus and funds from the Pavement Preservation Overtime Account within Measure R to address the special fund Overtime General Overspending. This Office will continue to work with the Department to monitor its expense accounts and report in future FSRs with transactions necessary to address the remaining overspending.

This Office recommends the following transactions at this time:

- Transfer \$511,000 from the Salaries General Account (General Fund) to the Contractual Services Account for mobility data specification software licensing fees.
- Transfer \$196,000 from the Salaries As-Needed Account (General Fund) to the Office and Administrative Account for computer replacement and technology needs.
- Transfer \$1,556,467 from the Salaries General Account (Proposition C Anti-Gridlock Transit Fund) to the Overtime General Account for increased overtime costs to manage workload.

- Transfer \$949,893 from the Salaries General Account (Measure M Local Return Fund) to the Overtime General Account for increased overtime costs to manage workload.
- Transfer \$700,000 from the Measure R Local Return Fund’s Pavement Preservation Overtime Account to the Overtime General Account for overtime costs associated with the Pavement Preservation Program.

NN. Youth Development

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.207	\$ 0.011	Surplus due to staff vacancies. Departmental vacancy rate is 30 percent as of August 2023.
Salaries As-Needed	0.014	(0.011)	Surplus is due to funds budgeted in the Salaries As-Needed Account which were expended from the Salaries General Account.
Contractual Services	0.261	-	Surplus is based on current and prior-year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Furniture, Office, and Technical Equipment	(0.010)	-	Overspending is based on anticipated costs for computer equipment and furniture for employees.
Other Overspending Accounts	(0.004)	-	Overspending in two expense accounts is based on prior-year and year-to-date spending trends.
General Fund Total	\$ 0.467	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.129	\$ 0.000	Surplus is due to staff vacancies and hiring delays.
<i>Overspending (Shown as Negative, in millions)</i>			
Overspending Accounts	(0.006)	0.006	Overspending in various expense accounts based on prior-year and year-to-date spending trends.
Special Funds Total	\$ 0.123	\$ 0.007	

This Office recommends the appropriation of unspent prior-year Californians for All Youth Workforce Development Grant funds to address projected special fund overspending. The Department plans to address its General Fund overspending using its projected savings from other accounts. This Office will continue to monitor the Department’s projected surpluses to determine whether sufficient savings are available to offset this overspending and report in future FSRs. The Department has no budgeted General Fund revenues.

Californians for All Youth Workforce Development Grant

The Department is responsible for implementing the project evaluation component of the Californians for All Youth Workforce Development (CA4All) Grant, for which the Economic and Workforce Development Department (EWDD) is the grant administrator (C.F. 22-0014). The Council approved a \$4.5 million Reserve Fund loan to avoid cash flow and service disruptions related to the CA4All grant (C.F.22-0683-S2). On September 29, 2023, a Motion (Blumenfield-Krekorian) was introduced requesting that the Council approve an increase in the California for All Reserve Fund Loan, in the amount not to exceed \$10 million, and authorize the Controller to process this Reserve Fund Loan to avoid cash flow and payment disruption to service providers and participants associated with the CA4All Grant, to be repaid at the end of the grant and upon receipt of full reimbursement from the State of California. EWDD did not issue reimbursement instructions to the Youth Development Department in 2022-23 due to this situation. As a result, the General Fund paid for the Department’s \$117,217 in reported 2022-23 grant expenditures. When EWDD reimburses for the Department’s 2022-23 grant expenses, this Office recommends that these funds be directed to the Reserve Fund since the General Fund paid for these costs. The Department reported that there is a small balance (\$6,576.52) of 2022-23 Uncommitted Funds which it requests in this FSR to appropriate to the current year to use for the provision of the grant.

This Office recommends the following transactions at this time:

- Transfer \$10,561 from the Salaries As-Needed Account to the Salaries General Account to address projected overspending.

- Increase appropriations in the amount of \$6,576.52 from the unencumbered balance within various accounts for the Californians for All Youth Workforce Development Grant (C.F. 22-0014). The appropriation of funds is required for the second year of a two-year grant program.

OO. Zoo

Attachment 4 – Transfers between Accounts within Departments and Funds

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries, General	\$ 0.719	\$ -	Projected surplus due to staff vacancies. The Department has a 19 percent vacancy rate.
Hiring Hall Salaries	0.200	(0.200)	Projected surplus due to increased one-time funding to address deferred maintenance needs.
Printing and Binding	0.033	-	Projected surplus based on prior-year expenditure trends and projected operational needs through year-end.
Contractual Services	0.318	-	
Uniforms	0.003	-	
Veterinary Supplies and Expense	0.160	-	
Feed and Grain	0.144	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Benefits Hiring Hall	(0.200)	0.200	Projected overspending due to increased workload to address deferred maintenance needs.
Special Funds Total	\$ 1.377	\$ -	

This Office recommends using the projected Hiring Hall Salaries surplus to address overspending in the Benefits Hiring Hall Account. The Department has no General Fund revenues.

Greater Los Angeles Zoo Association (GLAZA) Interim Agreement

The current agreement between the Zoo and GLAZA expired on September 29, 2023. The Zoo is preparing to release a Request for Proposals (RFP) for management and operation of fundraising, membership, and special events programs on behalf of the Zoo. The Zoo and GLAZA intend to enter into an agreement to continue services during the RFP and contractor selection process. This interim agreement is currently pending Council approval (C.F. 23-1128). Funds are available in the Unappropriated Balance, Zoo Assessment Account (\$1.5 million) to address the transition of some services to the Zoo. Should the Department require additional resources to address this transition

or any other unanticipated needs, we will report in future FSRs with any necessary recommendations.

This Office recommends the following transaction at this time:

- Transfer \$200,000 from the Hiring Hall Salaries Account to the Benefits Hiring Hall Account to address projected overspending.

2. STATUS OF NON-DEPARTMENTAL FUNDS AND SPECIAL ACCOUNTS

This section addresses the status of non-departmental expenditures and revenues and highlights issues of concern.

**A. General City Purposes
Recommendation No. 11
Attachment 4 – Transfers between Accounts within Departments and Funds**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
County Service-Massage Parlor Regulation	\$ 0.13	\$ (0.10)	Projected surplus is based on prior-year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Medicare Contributions	(2.16)	-	Projected overspending is due to increased Citywide hiring and unbudgeted salary increases. Projections may be impacted depending on the outcome of the ongoing contract labor negotiations.
Pensions Savings Plan	(0.23)	-	Projected overspending is due to higher-than-anticipated hiring, leading to increased Pensions Savings Plan contributions. Projections may be impacted depending on the outcome of the ongoing contract labor negotiations.
Social Security Contributions	(0.07)	-	Projected overspending is due to higher-than-anticipated hiring and salaries, leading to increased Social Security contributions. Contributions will likely fluctuate throughout the year.
LA's Best	(1.45)	-	Projected overspending is due to delays in executing prior-year agreements.
International Visitors Council of Los Angeles	(0.04)	-	
Los Angeles Neighborhood Land Trust	(0.04)	-	
World Trade Center	(0.10)	0.10	
Sister Cities of LA	(0.16)	0.16	
General Fund Total	\$ (4.12)	\$ 0.16	

This Office recommends an appropriation of \$160,000 from the Reserve Fund to the Sister Cities of LA Account to address the projected overspending and using the projected surplus in the County Service-Massage Parlor Regulation Account to address the overspending in the World Trade Center Account. We will continue to monitor overall overspending and provide recommendations necessary to address it in future FSRs.

This Office recommends the following transactions at this time:

- Transfer \$160,000 from the Reserve Fund to the Unappropriated Balance Fund and appropriate therefrom to the General City Purposes, Sister Cities of LA Account for prior year expenses for Sister Cities of Los Angeles.
- Transfer \$100,000 from the County Service-Massage Parlor Regulation Account to the World Trade Center Account to defray prior year operating expenses for World Trade Center Los Angeles.

B. Unappropriated Balance

Attachment 6 – Appropriations from the Unappropriated Balance

Attachment 7A – Status of the UB – General Account

Attachment 7B – Status of the UB – Reserve for Mid-Year Adjustments

Attachment 7C – Status of the UB – Non-General Accounts

The 2023-24 Adopted Budget includes \$297.1 million for the Unappropriated Balance (UB). Through October 17, 2023, the Mayor and City Council have approved a net of \$32.7 million in transactions, leaving a balance of \$329.8 million in the UB.

This report includes recommendations to transfer \$5.4 million from various UB accounts, which leaves a remaining balance of \$324.4 million.

This Office recommends the following transactions at this time:

- Transfer \$500,000 from the UB, Animal Services Sterilization Trust Fund Account to the Animal Services Sterilization Trust Fund for the Community Cat Program.
- Transfer \$2,000,000 from the UB, Reserve for Mid-Year Adjustments Account to the City Attorney's Outside Counsel Account to address overexpenditures for various cases including police protest cases.
- Transfer \$2,150,000 from the UB, Election Expenses - Special Runoff 2023 Account to the City Clerk's Elections Account to pay the County invoice for the June 2023 Special Election.
- Transfer \$178,000 from the UB, Reserve for Mid-Year Adjustments Account to the Council's Contractual Services Account for the Los Angeles Living Wage Ordinance and Los Angeles Hotel Worker Minimum Wage Ordinance Study.

- Transfer \$460,000 from the UB, Reserve for Mid-Year Adjustments Account to the Council's Contractual Services Account for the Public Bank Study (Phase 1).
- Transfer \$78,281 from the UB, Equipment, Expenses, and Alterations and Improvements Account to various accounts within the General Services Department for City Hall construction costs.
- Transfer \$84,092.75 from the UB, Equipment, Expenses, and Alterations and Improvements Account to the Information Technology Agency Communications Services Account to replace the camera system at a Council District office.

**C. Human Resources Benefits
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Fire Health and Welfare Program	\$ 0.63	\$ -	Surplus due to the overall impact of lower than projected health plan rate increases than assumed in the adopted budget for some of the following plans: <ul style="list-style-type: none"> • Los Angeles Firemen's Relief Association (LAFRA) Fire – 3.47% premium rate increase vs. 2.0% assumed • LAFRA Kaiser – 9.96% premium rate increase vs. 6.0% assumed • United Fire Fighters of Los Angeles City (UFLAC) CA Care – 0% premium rate increase vs. 4.0% assumed • UFLAC High Deductible Health Plan (HDHP) – 0% premium rate increase vs. 5.0% assumed
<i>Overspending (Shown as Negative, in millions)</i>			
Employee Assistance Program	(0.04)	-	Overspending due to changes in civilian enrollment.
Civilian Flex Program	(0.06)	-	Overspending due to increasing health plan enrollment (increase of 0.17% over the through August 2023).
Police Health and Welfare Program	(2.84)	-	Overspending due to higher health, dental, and life insurance subsidies for Police than assumed in the adopted budget due to MOU 24 changes approved by Mayor and Council (C.F. 23-0862): <ul style="list-style-type: none"> • Individual Health – \$1,197.07 subsidy/month vs. \$1,140.07 assumed • Family Health – \$1,774.32 subsidy/month vs. \$1,689.83 assumed • Dental – \$91 subsidy/month vs. \$88 assumed • Life – \$27 subsidy/month vs. \$25 assumed
Supplemental Civilian Union Benefits	(0.05)	-	Overspending due to changes to enrollment in MOU-negotiated benefits.
General Fund Total	\$ (2.36)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 3.68	\$ 3.68	\$ -	This Office projects the Fund will meet its General Fund revenue budget by year end.

Projections this early in the fiscal year are subject to potentially significant expenditure fluctuations by year end due to changes in benefit rates, open enrollment, staff attrition and hiring, and workers' compensation claims. This Office does not recommend any additional appropriations at this time. This Office and the Personnel Department will continue to monitor the status of this Fund and report in future FSRs.

D. Liability Claims Account
Attachment 8 – Status of Liability Accounts

The 2023-24 Adopted Budget provides \$87.37 million for Liability Payouts, allocated between the Miscellaneous Liability Payouts (\$80 million) and Public Works, Sanitation Liability Payouts (\$7.37 million) accounts. Supplemental funding of \$20 million is provided in the Unappropriated Balance (UB) Reserve for Extraordinary Liability to pay for both tort liability and tax-related cases beyond the amount provided in the Liability Claims Account.

As of September 28, 2023, \$12.16 million of the \$87.37 million has been expended from the Liability Claims Account. Including an additional \$7.76 million pending payment, the total committed amount is \$19.92 million. Therefore, \$67.45 million (77 percent), of which \$4.07 million is budgeted for Bureau of Sanitation matters, represents the available balance for the remainder of the fiscal year. Based on the current rate of payouts pending Council approval (\$34.7 million), and pending final report (\$52 million), we project year-end General Fund overspending of approximately \$23.32 million and a special fund surplus of \$4.07 million. We anticipate that the supplemental funding in the Unappropriated Balance will be needed to address this overspending and we will report in future FSRs with recommendations to transfer necessary funding from this account and to address any remaining overspending.

3. STATUS OF EMPLOYMENT
Attachment 9 – Employment Level Report

Citywide employment authority from all funding sources totaled 39,408 at the end of August for both civilian and sworn classes. There are 31,913 filled positions at the end of August. Departments reported a total of 7,495 vacant positions: 4,548 General Fund and 2,947 special funded.

4. STATE BUDGET **No Recommendation**

On June 27, 2023, Governor Newsom signed the 2023-24 Budget Act. The Budget includes a balanced package of solutions to address a budget shortfall of approximately \$31.7 billion. These solutions include funding shifts from the general fund (\$9.3 billion), funding reductions and pullbacks (\$8.1 billion), delays in spending (\$7.9 billion), revenue and internal borrowing (\$6.1 billion), and trigger reductions (\$340 million). The budget shortfall is attributed to a reduction in revenues as a result of a declining stock market and persistently high inflation in 2022, rising interest rates, and job losses in high-wage sectors. The Budget is projected to contain budgetary shortfalls through 2026-27, the last year in the multi-year forecast. We list budget proposals with potential impacts to the City below:

Health Care

The Budget maintains the commitment to increase access to health care for all Californians, regardless of their immigration status and especially for low-income Californians. It also maintains more than \$10 billion for California Advancing and Innovating Medi-Cal and over \$8 billion for behavioral health.

Homelessness

The Budget couples the Administration's \$15.3 billion investment to address homelessness with new accountability measures that hold cities, counties, and continuums of care more accountable by requiring coordinated regional plans—identifying each jurisdiction's role, outcome goals, and how local entities are using various state, local, and federal funding sources to reduce homelessness.

Transit

The Budget provides \$5.1 billion for public transit, including \$4 billion in Transit and Intercity Rail Capital Program funding and \$1.1 billion in zero-emission vehicle transit funding, and reporting and accountability requirements for transit agencies. Information from these requirements will guide a new task force, convened by the California State Transportation Agency, which will develop recommendations on increasing ridership; improving operations to provide safe, clean, and reliable transit service. It will also help give local transit agencies guidance to become more fiscally sustainable.

Climate

The Budget includes over \$52 billion in multi-year climate investments. The Governor and the Legislature are continuing to discuss a potential climate bond that would allow for additional targeted climate investments.

Public Safety

The Budget includes \$800 million in multiple programs to improve public safety, including to address the spread of fentanyl and combat retail theft and local law enforcement grants totaling \$255 million over three years.

This Office will continue to monitor the state budget and will provide updates as necessary.

**5. AMERICAN RESCUE PLAN ACT – STATE AND LOCAL FISCAL RECOVERY FUNDS
Recommendation No. 5**

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) into law establishing the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund (SLFRF). The intent of these funds is to provide support to state, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

The SLFRF provided the City with approximately \$1.28 billion in recovery funds. The status of the SLFRF as of October 2023 is provided in the following table:

Total SLFRF Award (amounts in millions)	\$ 1,278.90	
SLFRF Expenditures by Type as of 10/23		
	Totals	% of total SLFRF Award
Government Services Expenditures	\$ 1,091.52	85.3%
"Stand Alone Project" Expenditures	88.63	6.9%
Total Expenditures Reported	\$ 1,180.15	92.3%
Unexpended SLFRF as of 10/23		
	Totals	% of total SLFRF Award
Budgeted SLFRF Allocated to Stand-Alone Projects	\$ 98.71	7.7%
Unbudgeted SLFRF Allocated to Government Services	0.04	0.0%
Total SLFRF Remaining Balance	\$ 98.75	7.7%

The CAO is responsible for administering the SLFRF funds and for preparing all required reports for the U.S. Treasury on behalf of the City. This Office has submitted seven quarterly Project and Expenditures Reports and is currently working on the eighth due by October 31, 2023. The purpose of the quarterly reports is to identify actual and obligated spending. In the October 2023 report, the CAO is anticipated to total spending of approximately \$1.180 billion to date.

KPMG is currently providing consultant services to this Office to support our efforts to provide accurate and timely spending reports to the U.S. Treasury, comply with all grant requirements, and maintain and provide comprehensive documentation to enable our responses to ongoing and future audit. At this time, the City has approximately one year before the December 2024 deadline to fully obligate ARPA funds. Failure to fully obligate funds by December 2024 may result in the City's

forfeiture of unobligated funds. Retaining KPMG through this period is essential in order to ensure that funds are fully obligated and that those obligations are based on realistic expectations within this timeframe and to mitigate the risk of falling out of compliance.

The CAO anticipates that the funding required to continue this contract between October 1, 2023 and January 31, 2025 (the due date for the December 2024 quarterly report to the U.S. Treasury) is \$1.95 million. The CAO has not received a budget appropriation for this contract and has instead been funding it since its inception in August 2021 using savings. At this time, the CAO has only identified \$110,756 in department savings to continue this contract. In this report, we recommend an additional transfer up to \$595,000, which constitutes the remaining balance in the ARPA Trust Fund, to partially cover this need. We will report in a future FSR with recommendations to address the remaining funding need associated with this contract.

This Office recommends the following transaction at this time:

- Appropriate the available cash balance, up to \$595,000, within the American Rescue Plan Act Fund, No. 64M, to the CAO's Office, Fund No. 100/10, Account 003040, Contractual Services, to fund the 2023-24 costs for ARPA administration consultant support.

6. LOS ANGELES TOURISM AND CONVENTION BOARD Recommendation No. 17

The City's contract with the Los Angeles Tourism and Convention Board (LATCB) provides annual funding in an amount equal to one percent of gross Transient Occupancy Tax (TOT) receipts. Payments are made quarterly based on estimated TOT receipts and reconciled at year end. In 2022-23, LATCB received \$18,827,441 in estimated payments. Based on actual 2022-23 TOT receipts a total of \$23,444,350 was owed to LATCB in 2022-23 from the Los Angeles Convention and Visitors Bureau Trust Fund (Trust Fund). Therefore the Trust Fund must transfer an additional \$4,616,909 to LATCB at this time. This Office recommends an appropriation from the Trust Fund to issue this final payment for 2022-23.

This Office recommends the following transaction at this time:

- Appropriate \$4,616,909.25 from the available cash balance of the Greater Los Angeles Visitors and Convention Bureau Trust Fund No. 429/10 to the LA Convention and Visitors Bureau Account No. 10Y475 within that fund and authorize the City Administrative Officer to issue payment to the LATCB for their share of 2022-23 TOT receipts pursuant to its agreement with the City.



Nicholas S. Campbell, Senior Administrative Analyst II

APPROVED:



Ben Ceja, Assistant City Administrative Officer

MWS:BC:JWW:NSC:01240031C

Attachments

**2022-23 Adopted and Revised General Fund Revenue
Preliminary Final Receipts through June 2023**

(Figures in Thousands of Dollars)

	Adopted Budget	Revised Budget	Prelim Final Receipts	Variance from Adopted Budget	Variance from Revised Budget	Comments on Variance from Revised Budget
Property Tax	\$2,535,005	\$2,549,638	\$2,562,881	\$27,876	\$13,244	Secured May receipts were \$15.6m above the revised plan, which here offset by decreased supplemental and redemption receipts and increased refunds.
Property Tax Ex-CRA Inc.	153,800	131,103	136,762	(17,038)	5,659	Actual receipts came in above the County Auditor-Controller's April estimate.
Department receipts (LPFF and reimbursements)	1,272,944	1,253,642	1,232,107	(40,838)	(21,535)	The reduction to the revised estimate and the year-end shortfall is primarily attributed to reimbursements from special funds, proprietary departments and outside agencies.
Business Tax	786,900	810,000	825,799	38,899	15,799	Receipts from non-cannabis and cannabis related business activity were \$13.6m and \$2.2m above the revised budget. Note, however, cannabis receipts were \$40.0m below the adopted budget.
Sales Tax	704,760	718,655	713,603	8,843	(5,052)	Sales tax receipts, which had been increased in the revised budget to reflect higher receipts, fell in the final quarter.
Utility Users' Tax	614,100	705,160	707,127	93,027	1,967	Electricity and communication users tax ended above revised estimates by \$500k and \$2.0m, respectively, and were offset by a -\$600k shortfall in gas users tax. Note, however, gas users tax receipts ended \$56.6m above the adopted budget.
Documentary Transfer Tax	298,540	224,725	221,265	(77,275)	(3,460)	Both sales volume and home prices continued their decline below downward revised expectations resulting in a -\$3.5m shortfall from the revised budget.
Transient Occupancy Tax	263,220	307,810	310,017	46,797	2,207	Receipts from hotel activity, \$2.9m above the revised budget as well as \$49.6m above the adopted budget, are offset by lower receipts from short-term rentals.
Power Revenue Transfer	229,721	232,043	232,043	2,322	-	
Parking Fines	130,000	107,000	108,274	(21,726)	1,274	Parking fine receipts exceeded projections in the final quarter after the estimate was decreased to reflect lower issuance activity.
Grant Receipts	122,083	129,275	106,480	(15,603)	(22,795)	Shortfall includes a -\$13.8m in delayed receipts from FEMA and -\$9.0 million in unrealized and delayed departmental grant receipts
Franchise Income	119,831	152,445	173,496	53,665	21,051	Gas users tax ended \$26.2m above the revised budget as well as \$48.0m above the adopted budget. Minor variances in other franchise categories
Parking Occupancy Tax	111,270	123,000	125,064	13,794	2,064	Surplus reflects excess receipts recorded in June.
Special Parking Revenue Transfer	30,426	30,426	30,426	-	-	
Tobacco Settlement	11,489	10,710	10,714	(775)	4	
Residential Development Tax	4,800	5,070	5,087	287	17	
State Motor Vehicle License Fees	3,900	3,994	3,994	94	0	
Subtotal General Fund	\$7,392,790	\$7,494,696	\$7,501,146	\$112,350	\$10,444	
Interest Income	36,610	53,000	59,922	23,312	6,922	
Transfer from Reserve Fund	16,648	16,648	16,648	0	-	
Total General Fund	\$7,446,048	\$7,564,344	\$7,581,710	\$135,662	\$17,366	

**2023-24 Adopted General Fund Revenue
Through September 2023
(Figures in Thousands of Dollars)**

	Adopted Budget	Plan Through September	Receipts Through September	Receipts as Percent of Budget	Variance from Plan	Comments on Variance from September Plan
Property Tax	\$2,640,250	\$122,547	\$114,861	4.4%	(\$7,686)	Unsecured and miscellaneous property tax are \$1.0m and \$3.1m above plan offsetting shortfalls across other receipts, including -\$8.3m in lower secured receipts due to higher-than-estimated May remittance in the prior fiscal year. Adopted budget growth assumed 5.3% growth for the City. The County Assessor's most recent estimate is 5.9%.
Property Tax Ex-CRA Inc.	143,730	-	-	-	-	
Department receipts (LPFF and reimbursements)	1,363,324	264,542	198,816	14.6%	(65,726)	Related costs and other reimbursements from special funds, MTA and other sources are delayed and thus -\$112.9m below plan. Offsetting the shortfall are \$47.2 in early and unanticipated receipts.
Business Tax	847,200	57,435	50,520	6.0%	(6,915)	Net business tax receipts from cannabis and non-cannabis activity are below plan. However, based on LATax data cannabis receipts are near the monthly plan. Non-cannabis related taxes are due at that start of the calendar year.
Sales Tax	724,230	180,640	174,664	24.1%	(5,976)	There is downside risk based on the decline in year-over-year sales for the quarter.
Utility Users' Tax	650,490	172,960	161,584	24.8%	(11,376)	After accounting for \$11.2m in LATax gas and communication users tax receipts that have not been recorded in FMS, offset by a likely correction to EUT receipts based on tax period data from LATax, the estimated shortfall is closer to -\$13.3 million, with all categories below plan.
Transient Occupancy Tax	342,430	93,870	77,517	22.6%	(16,353)	After accounting for \$9.4m in LATax receipts that have not been recorded in FMS, the estimated shortfall is approximately \$7.0m and is attributed to hotel receipts.
Power Revenue Transfer	236,502	-	-	-	-	DWP's budgeted transfer is \$6.8m higher than the adopted budget.
Documentary Transfer Tax	198,610	54,250	42,443	21.4%	(11,807)	The adopted budget assumed that declining sale prices would coincide with a gradual recovery in sales. However sales volume has continued to decline to levels seen during the real estate market bust.
Franchise Income	137,810	30,365	34,138	24.8%	3,773	Surplus is primarily attributed to natural gas franchise receipts (\$4.5m) as well as smaller waste collection surplus (\$300k), which are offset by shortfalls from cable (-\$900k) and police garage (-\$100k) franchise fees.
Parking Occupancy Tax	129,195	33,800	33,485	25.9%	(315)	Receipts are near plan. However, receipts appear to have leveled off whereas the budget anticipates growth of 3.3%.
Parking Fines	115,000	29,050	27,058	23.5%	(1,992)	After a brief recovery in issuance activity in the middle of 2022-23, monthly ticket issuance has resumed its decline.
Grant Receipts	109,193	3,532	2,293	2.1%	(1,238)	The shortfall is attributed to departmental grant receipts. The budget includes \$80.4 million in FEMA reimbursements.
Special Parking Revenue Transfer	32,388	-	-	-	-	
Tobacco Settlement	10,710	-	-	-	-	
Residential Development Tax	4,910	1,227	1,222	24.9%	(5)	Monthly receipts are variable and near plan.
State Motor Vehicle License Fees	3,994	-	-	-	-	
Subtotal General Fund	\$7,689,966	\$1,044,218	\$918,602	11.9%	(\$125,616)	
Interest Income	77,000	40,482	28,174	36.6%	(12,308)	Receipts are variable and excess receipts may be owed to special funds. Finance anticipates receipts to end above the adopted budget.
Transfer from Reserve Fund	136,370	-	-	-	-	
Total General Fund	\$7,903,336	\$1,084,700	\$946,776	12.0%	(\$137,924)	

**ATTACHMENT 2
STATUS OF RESERVE FUND AS OF 10/17/23**

Council File No.	Item Description	Amount
Balance Available, 7/1/2023		\$ 648,275,649.98
Less: Emergency Reserve Account		\$ 217,342,000.00
Contingency Reserve Account 7/1/2023		\$ 430,933,649.98
General Fund Appropriation to the Reserve Fund		-
 Loan Repayment and Other Receipts		5,052,064.44
Contingency Reserve Account		\$ 435,985,714.42
Loans and Transfers Approved to Date		
23-0038	House LA Fund for Measure ULA	(67,981,730.51)
21-0112-S5	Homekey 2.0 Program	(28,390,559.41)
23-0602	Gang Injunction Curfew Settlement Fund	(5,023,480.00)
22-1205-S1	Consolidated Plan Grants Loan	(10,000,000.00)
Loans and Transfers Approved to Date Subtotal		\$ (111,395,769.92)
Proposed Loans and Transfers		
23-1073	CAForALL Youth Workforce Development Grant Loan	(10,000,000.00)
First FSR	GCP - Sister Cities of LA - Reappropriation	(160,000.00)
First FSR	Rescind transfer - Gang Injunction Curfew Settlement Fund	5,023,480.00
Proposed Loans and Transfers Subtotal		\$ (5,136,520.00)
Contingency Reserve Available Balance as of 10/17/2023		\$ 319,453,424.50
Total Emergency and Contingency Reserve Fund		\$ 536,795,424.50

ATTACHMENT 2A
SCHEDULE OF REVERSIONS TO THE RESERVE AND OTHER FUNDS
FYE JUNE 30, 2023

Dept No.	Department Name	Balance	Reversion to Other Special Funds	Reversion to Reserve Fund
02	Aging	875,982.35	17,560.95	858,421.40
06	Animal Services	475,124.81	0.00	475,124.81
08	Building and Safety	21,932,405.95	19,966,000.27	1,966,405.68
10	City Administrative Officer	11,637,791.68	1,049,125.42	10,588,666.26
11	Public Accountability	2,017,190.83	0.00	2,017,190.83
12	City Attorney	2,098,254.30	875,984.17	1,222,270.13
13	Cannabis Regulation	2,679,418.13	2,675,343.00	4,075.13
14	City Clerk	1,177,173.02	0.00	1,177,173.02
15	Civil, Human Rights and Equity	1,084,533.51	0.00	1,084,533.51
17	City Ethics	124,826.36	124,826.36	0.00
19	Youth Development	734,007.03	0.00	734,007.03
21	Community Investment for Families	2,685,432.08	0.00	2,685,432.08
22	Economic and Workforce	2,634,782.94	201,321.76	2,433,461.18
26	Controller	3,099,180.72	209,128.86	2,890,051.86
28	Council	18,284,460.90	1,021.05	18,283,439.85
30	Cultural Affairs	9,167,192.59	9,167,192.59	0.00
32	Information Technology Agency	13,905,534.56	846,692.12	13,058,842.44
33	El Pueblo	661,111.54	649,111.54	12,000.00
35	Emergency Management	385,009.11	0.00	385,009.11
36	Employee Relations	27,837.00	0.00	27,837.00
38	Fire	10,099,945.17	1,397,095.18	8,702,849.99
39	Finance	3,053,051.82	33,891.42	3,019,160.40
40	General Services	56,936,546.80	19,167,619.67	37,768,927.13
43	Housing	1,165,658.97	92,479.61	1,073,179.36
46	Mayor	9,851,007.86	401,890.31	9,449,117.55
47	Neighborhood Empowerment	495,133.92	484,133.92	11,000.00
48	City Tourism	97,028.37	96,357.02	671.35
53	Capital Finance	24,568,822.72	2.53	24,568,820.19
54	Capital Improvement	104,307,896.04	9,417,613.93	94,890,282.11
56	General City Purposes	147,001,544.16	13,582,486.68	133,419,057.48
58	Unappropriated Balance	119,951,805.73	0.00	119,951,805.73
59	Liability Claims	2,121,384.25	1,309,564.18	811,820.07
60	Water and Electricity	0.00	0.00	0.00
61	Human Resources	2,855,470.58	0.00	2,855,470.58
62	General	721,821.56	0.00	721,821.56
63	Leasing	1,157,706.00	61,297.12	1,096,408.88
65	Disability	508,169.45	0.00	508,169.45
66	Personnel	4,871,385.52	2,022,041.13	2,849,344.39
68	City Planning	4,800,920.62	4,397,686.11	403,234.51
70	Police	19,106,725.77	653,243.14	18,453,482.63
74	PW Board Office	15,401,744.09	15,018,714.81	383,029.28
76	PW Bu of Contract Admin	8,667,047.64	3,823,049.82	4,843,997.82
78	PW Bu of Engineering	3,804,787.33	3,795,617.39	9,169.94
82	PW Bu of Sanitation	37,699,469.56	24,743,337.49	12,956,132.07
84	PW Bu of St Lighting	11,585,492.24	10,871,282.90	714,209.34
86	PW Bu of St Services	11,558,642.35	10,265,435.24	1,293,207.11
87	Zoo	2,359,349.89	2,237,557.89	121,792.00
94	Transportation	16,651,551.53	10,910,587.03	5,740,964.50
Total		717,087,359.35	170,566,292.61	546,521,066.74

Total 2022-23 Reserve Fund Year-End Reversion	546,521,066.74
2022-23 Reserve Fund Reversion Estimated in the 2023-24 Budget*	454,613,039.00
Difference between Actual and Estimated Reversion	91,908,027.74

ATTACHMENT 3
FY 2023-24 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
City Tourism	<u>Fund 725/48, Los Angeles Convention Center Revenue Trust Fund</u>		<u>Fund 725/48, Los Angeles Convention Center Revenue Trust Fund</u>	
<i>Reimbursement of 2022-23 Related Costs</i>	Cash Balance	\$ 399,356.00	48299Y, Reimbursement of General Fund Costs	\$ 399,356.00
Cultural Affairs	<u>Fund 480/30, Arts & Cultural Facilities & Services Trust Fund</u>		<u>Fund 100/30, Cultural Affairs</u>	
<i>Prior-Year Reappropriations</i>	30W130, Cultural Affairs	\$ 5,242,482.00	009849, Citywide Exhibits	\$ 167,914.00
			009851, Northeast Jazz Festival	70,000.00
			009853, Promise Zone Arts	75,000.00
			009856, Citywide Mural Art Program	731,058.00
			009858, Leimert Park Village Cultural Hub Activation	348,950.00
			Lab Activation	40,129.00
			009861, Intercultural Fusion and International Flavors Program	150,000.00
			009862, Employee Training Productivity and Efficiency	35,000.00
			009864, Art Partner Center Program	80,000.00
			009868, Victims of 1871 Anti-Chinese Massacre Memorial	116,000.00
			009870, Lankershim Arts Center	651,424.00
			009874, Noho Summer Concerts	50,000.00
			009841, El Grito	96,502.00
			009876, COVID-19 Memorial	39,750.00
			009869, Victims of Gun Violence Memorial	250,000.00
			009871, Youth and Creative Workers Mural Program	941,650.00
			009872, We Create LA Program	1,000,000.00
			009877, Taxco Theater Activation	399,105.00
			Subtotal	\$ 5,242,482.00
El Pueblo	<u>Fund 737/33, El Pueblo de Los Angeles Historical Monument Revenue Fund (480/30)</u>		<u>Fund 100/33, El Pueblo (737/33, 33133Y)</u>	
<i>El Pueblo Museum Guides</i>	33133Y, El Pueblo de Los Angeles	\$ 285,000.00	001070, Salaries, As-Needed	\$ 285,000.00
Housing	<u>Fund 55J/43, Low and Moderate Income Housing Fund</u>		<u>Fund 55J/43, Low and Moderate Income Housing Fund</u>	
<i>Financial Audits</i>	Cash Balance	\$ 11,859.20	43Y456 Financial Audit	\$ 11,859.20
<i>HHH Permanent Supportive Housing Program</i>	<u>Fund 17G/10, GOB Series 2022-A (Taxable), Prop HHH Construction Fund</u>		<u>Fund 100/43, Housing Department</u>	
<i>(FY2023 Costs)</i>	RCS 4904, Interest on Pooled Invest-Bond Fds	\$ 1,211,038.78	RSRC 5168, Reimbursement of Prior Year Salary	\$ 840,707.24
			RSRC 5331, Reimbursement of Related Cost Prior Year	370,331.54
			Subtotal	\$ 1,211,038.78
Mayor	<u>Fund 64B/46, FY 19 Justice Assistance Grant Fund</u>		<u>Fund 100/12, City Attorney (64B/46, 46Y112)</u>	
<i>Public Safety Grant</i>	46T912, City Attorney Grant Allocaton	\$ 141,897.36	001010, Salaries, General	\$ 6,207.78
	46W112, City Attorney	28,962.16		
	46W299, Reimbursement of General Fund	52,460.89	<u>Fund 100/12, City Attorney (64B/46, 46Y299)</u>	
	RSRC 4903, Interest Income-Other	11,546.19	RSRC 5346, Related Costs Reimbursement from Grants	2,705.35
	<u>Fund 100/46, Mayor (64B/46, 46Y146)</u>		<u>Fund 100/46, Mayor (64B/46, 46Y299)</u>	
	001020, Grant Reimbursed	\$ 35,191.76	RSRC 5346, Related Costs Reimbursement from Grants	11,050.00
	Subtotal	\$ 270,058.36		
			<u>Fund 64B/46 FY 19 Justice Assistance Grant Fund</u>	
			46T216, CLEAR Contractual Services	250,095.23
			Subtotal	\$ 270,058.36

ATTACHMENT 3
FY 2023-24 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	TRANSFER FROM	FUND/ACCOUNT	AMOUNT	TRANSFER TO
Public Works - Board	<u>Fund 834/50 Public Works Trust Fund</u>			<u>Fund 100/86, Bureau of Street Services</u>		
<i>Tree Guarantee Fee Planting Plan (C.F. 16-0461-S1)</i>	574220, St. Tree Replacement Guarantee (in-lieu) fee - PW Subsidy	\$ 937.34		001010, Salaries General	\$ 358.00	
	574221, St. Tree Replacement Guarantee (in-lieu) fee - PW No Subsidy	326,069.35		006020, Operating Supplies	132.00	
	574222, St. Tree Replacement Guarantee (in-lieu) fee - Planning No Subsidy	273,536.14				
	50174W, PW-Board Office	484,096.26		<u>Fund 100/74, Board of Public Works</u>		
	Subtotal	\$ 1,084,639.09		001010, Salaries General	447.34	
				Subtotal	\$ 937.34	
				<u>Fund 100/86, Bureau of Street Services</u>		
				001010, Salaries General	\$ 247,623.95	
				006020, Operating Supplies	13,357.40	
				<u>Fund 100/74, Board of Public Works</u>		
				001010, Salaries General	65,088.00	
				Subtotal	\$ 326,069.35	
				<u>Fund 100/74, Board of Public Works</u>		
				001010, Salaries General	\$ 20,400.00	
				003040, Contractual Services	253,136.14	
				Subtotal	\$ 273,536.14	
				<u>Fund 100/74, Board of Public Works</u>		
				003040, Contractual Services	\$ 484,096.26	
				Subtotal	\$ 1,084,639.09	
Public Works - Sanitation	<u>Fund 760/50, Sewer Operations and Maintenance Fund</u>			<u>Fund 760/50, Sewer Operations and Maintenance Fund</u>		
<i>Operations and Maintenance Reserve</i>	Cash Balance	\$ 661,830.00		50Y2RS, Operations and Maintenance Reserve	\$ 661,830.00	
Youth Development	<u>Fund 65N/22, Californians for All Youth Development Grant</u>			<u>Fund 100/19, Youth Development (Fund 65N/22, 22Y119)</u>		
<i>Californians For All Youth Workforce Development Grant Fund (C.F. 22-0014)</i>	22W119, Youth Development	\$ 6,576.52		001010, Salaries, General	\$ 440.31	
				002120, Printing and Binding	1,334.50	
				006010, Office and Administrative	772.64	
				007300, Furniture, Office and Technical Equipment	4,029.07	
				Subtotal	\$ 6,576.52	
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 9,172,839.95			\$ 9,172,839.95	

ATTACHMENT 4
FY 2023-24 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Animal Services	<u>Fund 100/06, Animal Services</u>		<u>Fund 100/06, Animal Services</u>	
<i>Increased Food Costs</i>	001010, Salaries General	\$ 400,000.00	004580, Feed and Grain	\$ 400,000.00
City Attorney	<u>Fund 100/12, City Attorney</u>		<u>Fund 100/12, City Attorney</u>	
<i>Overtime Overspending</i>	001010, Salaries General	\$ 131,000.00	001090, Overtime General	\$ 131,000.00
City Clerk	<u>Fund 100/14, City Clerk</u>		<u>Fund 100/14, City Clerk</u>	
<i>Passport Office Buildout</i>	001010, Salaries, General	\$ 200,000.00	003040, Contractual Services	\$ 200,000.00
Community Investment for Families	<u>Fund 65G/21, CIFD Miscellaneous Grants and Awards Fund</u>		<u>Fund 100/21, Community Investment for Families (Fund 65G/21, 21Y121)</u>	
<i>Family Homelessness Challenge Grant</i>	21W121, Community Investment for Families	\$ 20,163.93	001010, Salaries General	\$ 20,163.93
	21W299, Reimbursement of General Fund Costs	13,540.08		
	Subtotal	\$ 33,704.01	<u>Fund 65G/21, CIFD Miscellaneous Grants and Awards Fund</u>	
			21Y299, Reimbursement of General Fund Costs	\$ 13,540.08
			Subtotal	\$ 33,704.01
Council	<u>Fund 100/28, Council</u>		<u>Fund 100/28, Council</u>	
<i>Staffing and Expenses</i>	001010, Salaries, General	\$ 2,300,000.00	001070, Salaries, As-Needed	\$ 1,000,000.00
			002120, Printing and Binding	150,000.00
			002130, Travel	25,000.00
			003040, Contractual Services	150,000.00
			006010, Office and Administrative	975,000.00
			Subtotal	\$ 2,300,000.00
Economic and Workforce Development	<u>Fund 100/22, Economic and Workforce Development (424/21, 22Y122)</u>		<u>Fund 100/22, Economic and Workforce Development (424/21, 21Y122)</u>	
<i>CDBG CPA Services</i>	001010, Salaries General	\$ 80,000.00	003040, Contractual Services	\$ 80,000.00
<i>ARPA Business Assistance Programs</i>	<u>Fund 64N/22, ARPA Business Assistance Programs</u>		<u>Fund 100/22, Economic and Workforce Development (64N/22, 21Y122)</u>	
<i>LA Optimized Program</i>	22V122, Economic and Workforce Development	\$ 100,000.00	001010, Salaries General	\$ 255,546.00
	22V299, Reimbursement of General Fund Costs	150,000.00	001070, Salaries As Needed	1,590.00
	22V769, Reserved for EWDD Oversight	243,622.00	001090, Overtime General	58.00
	Subtotal	\$ 493,622.00	002120, Printing and Binding	38.00
			002130, Travel	78.00
			003040, Contractual Services	5,966.00
			003310, Transportation	6.00
			006010, Office and Administration	5,392.00
			006020, Operating Supplies	8.00
			006030, Leasing	46,056.00
			Subtotal	\$ 314,738.00
			<u>Fund 64N/22, ARPA Business Assistance Programs</u>	
			22Y299, Reimbursement of General Fund Costs	\$ 178,884.00
			Subtotal	\$ 493,622.00

ATTACHMENT 4
FY 2023-24 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Economic and Workforce Development (continued)	<u>Fund 64N/22, ARPA Business Assistance Programs</u>		<u>Fund 100/22, Economic and Workforce Development (64N/22, 21Y122)</u>	
<i>Legacy Business Recovery Program</i>	22V835, Legacy Business Recovery Program	\$ 496,450.00	001010, Salaries General	\$ 127,957.00
			001070, Salaries As Needed	795.00
			001090, Overtime General	29.00
			002120, Printing and Binding	19.00
			002130, Travel	39.00
			003040, Contractual Services	2,983.00
			003310, Transportation	3.00
			006010, Office and Administration	2,696.00
			006020, Operating Supplies	4.00
			006030, Leasing	23,028.00
			Subtotal	\$ 157,553.00
			<u>Fund 64N/22, ARPA Business Assistance Programs</u>	
			22Y299, Reimbursement of General Fund Costs (EWDD)	\$ 86,685.00
			22Y299, Reimbursement of General Fund Costs (Personnel)	2,393.00
			22Y769, Reserved for EWDD Oversight	249,819.00
			Subtotal	\$ 496,450.00
<i>Californians for All Youth Workforce Development Grant</i>	<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u>		<u>Fund 65N/22, Californians for All Youth Workforce Development Grant</u>	
<i>Re-appropriation of CIFD Balance from FY 22-23</i>	22V6AM, Teen Parent Prosper	\$ 9,058.00	22Y299, Reimbursement of General Fund Costs (CIFD)	\$ 54,577.00
	22W299, Reimbursement of General Fund Costs	45,519.00		
	Subtotal	\$ 54,577.00		
<i>Re-appropriation of BPW Balance from FY 22-23</i>	22W174, Bureau of Public Works	\$ 9,499.00	22Y299, Reimbursement of General Fund Costs (Bureau of Public W	\$ 179,223.00
	22W299, Reimbursement of General Fund Costs	169,724.00		
	Subtotal	\$ 179,223.00		
<i>Equity Community Revitalization Grant</i>	<u>Fund 66A/22, Equitable Community Revitalization Grant</u>		<u>Fund 100/22, Economic and Workforce Development (66A/22, 21Y122)</u>	
	22W122, Economic and Workforce Development	\$ 58,443.63	001010, Salaries General	\$ 58,443.63
	22W299, Reimbursement of General Fund Costs	27,746.00		
	Subtotal	\$ 86,189.63	<u>Fund 66A/22, Equitable Community Revitalization Grant</u>	
			22Y299, Reimbursement of General Fund Costs (EWDD)	26,951.00
			22Y299, Reimbursement of General Fund Costs (Personnel)	795.00
			Subtotal	\$ 86,189.63
Emergency Management Department	<u>Fund 392/34, Emergency Operations Fund</u>		<u>Fund 392/34, Emergency Operations Fund</u>	
<i>Funding Gap for BDA Replacement</i>	343040, Contractual Services	\$ 43,809.46	347350, Other Operating Equipment	\$ 44,859.90
	347350, Other Operating Equipment	\$ 1,050.44		
	Subtotal	\$ 44,859.90		
<i>EOC Server and Storage Maintenance</i>	<u>Fund 392/34, Emergency Operations Fund</u>		<u>Fund 392/34, Emergency Operations Fund</u>	
	343040, Contractual Services	\$ 1,346.01	343040, Contractual Services	\$ 21,862.86
	343040, Contractual Services	\$ 20,516.85		
	Subtotal	\$ 21,862.86		
<i>EOC Audio and Visual Repairs</i>	<u>Fund 392/34, Emergency Operations Fund</u>		<u>Fund 392/34, Emergency Operations Fund</u>	
	343040, Contractual Services	\$ 15,462.93	343040, Contractual Services	\$ 15,462.93
Finance	<u>Fund 100/39, Office of Finance</u>		<u>Fund 100/39, Office of Finance</u>	
<i>As-Needed Staff and Staff Overtime to Address Workload</i>	001010, Salaries General	\$ 210,000.00	001070, Salaries As-Needed	\$ 110,000.00
			001090, Overtime General	100,000.00
			Subtotal	\$ 210,000.00

ATTACHMENT 4

**FY 2023-24 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Finance (continued)	<u>Fund 100/39, Office of Finance</u>		<u>Fund 100/39, Office of Finance</u>	
<i>Gas Company Tower Relocation</i>	001010, Salaries General	\$ 229,000.00	007300, Furniture, Office, and Technical Equipment	\$ 229,000.00
Fire	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
<i>Overtime Shortfall for Fleet Maintenance and Inspections</i>	001010, Salaries General	\$ 1,000,000.00	001090, Overtime General	\$ 1,000,000.00
<i>Unbudgeted Contract Obligations</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001010, Salaries General	\$ 254,000.00	003040, Contractual Services	\$ 254,000.00
<i>Fleet Parts Chronic Shortfalls</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001012, Salaries Sworn	\$ 2,000,000.00	003090, Field Equipment Expense	\$ 2,000,000.00
<i>Cupa Data Management Software</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001012, Salaries Sworn	\$ 375,000.00	006010, Office and Administrative	\$ 375,000.00
<i>Unused Sick Time Projected Shortfall</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001012, Salaries Sworn	\$ 9,218,291.00	001050, Unused Sick Time	\$ 9,218,291.00
<i>Complaint Tracking System</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001012, Salaries Sworn	\$ 250,000.00	003040, Contractual Services	\$ 250,000.00
General City Purposes	<u>Fund 100/56, General City Purposes</u>		<u>Fund 100/56, General City Purposes</u>	
<i>World Trade Center LA</i>	000508, County Service-Massage Parlor Regulation	\$ 100,000.00	000930, World Trade Center	\$ 100,000.00
General Services Department	<u>Fund 100/40, General Services Department</u>		<u>Fund 100/40, General Services Department</u>	
<i>Vehicle Replacement</i>	001010, Salaries General	\$ 145,000.00	007340, Transportation Equipment	\$ 145,000.00
Housing	<u>Fund 100/43, Housing Department (43Y143)</u>		<u>Fund 100/43, Housing Department (43Y143)</u>	
<i>Housing Development Bureau Overtime</i>	001010, Salaries, General (100/43)	\$ 23,426.00	001090, Overtime General (100/43)	\$ 23,426.00
	001010, Salaries, General (561/43)	35,678.00	001090, Overtime General (561/43)	50,088.50
	001010, Salaries, General (55J/43)	5,044.50	001090, Overtime General (55J/43)	7,082.00
	001010, Salaries, General (815/43)	19,606.50	001090, Overtime General (815/43)	27,525.50
	001010, Salaries, General (59T/43)	11,078.50	001090, Overtime General (59T/43)	15,553.00
	001010, Salaries, General (64R/43)	21,269.00	001090, Overtime General (64R/43)	29,859.50
			Subtotal	<u>\$ 153,534.50</u>
	<u>Fund 561/43, HOME Investment Partnership Program</u>			
	43Y299, Reimbursement of General Fund Costs	\$ 14,410.50		
	<u>Fund 55J/43, Low and Moderate Income Housing Fund</u>			
	43Y299, Reimbursement of General Fund Costs	\$ 2,037.50		
	<u>Fund 815/43, Municipal Housing Finance Fund</u>			
	43Y299, Reimbursement of General Fund Costs	\$ 7,919.00		
	<u>Fund 59T/43, Housing Impact Trust Fund</u>			
	43Y299, Reimbursement of General Fund Costs	\$ 4,474.50		
	<u>Fund 64R/43, SB 2 Permanent Local Housing Allocation</u>			
	43Y299, Reimbursement of General Fund Costs	\$ 8,590.50		
	Subtotal	<u>\$ 153,534.50</u>		
<i>As-Needed Staffing for Prevailing Wage</i>	<u>Fund 64R/43, SB 2 Permanent Local Housing Allocation</u>		<u>Fund 100/43, Housing Department (43Y143)</u>	
	43W244, Administrative Reserve	\$ 52,008.00	001070, Salaries, As-Needed (64R/43)	\$ 52,008.00

ATTACHMENT 4
FY 2023-24 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Housing (continued)	<u>Fund 100/43, Housing Department (43Y143)</u>			
As-Needed Staffing for Rent Stabilization	001010, Salaries, General (440/43)	\$ 138,204.25	001070, Salaries, As-Needed (440/43)	\$ 212,337.00
	<u>Fund 440/43, Rent Stabilization Trust Fund</u>			
	43Y299, Reimbursement of General Fund Costs	\$ 74,132.76		
	Subtotal	\$ 212,337.00		
 <i>Hardware Renewal for Code Inspectors</i>	 <u>Fund 100/43, Housing Department (43Y143)</u>		 <u>Fund 100/43, Housing Department (43Y143)</u>	
	001010, Salaries, General (41M/43)	\$ 160,309.00	006010, Office and Administrative (41M/43)	\$ 246,298.00
	<u>Fund 41M/43, Systematic Code Enforcement Fee Fund</u>			
	43Y299, Reimbursement of General Fund Costs	\$ 85,989.00		
	Subtotal	\$ 246,298.00		
 <i>REAP Program (C.F. 20-1637)</i>	 <u>Fund 49N/43, LAHD Small Grants and Awards</u>		 <u>Fund 100/43, Housing Department (49N/43, 43Y143)</u>	
	43W143, Housing Department	\$ 135,252.51	001010, Salaries, General	\$ 135,252.51
	43W299, Reimbursement of General Fund Costs	47,682.06		
	Subtotal	\$ 182,934.57	<u>Fund 49N/43, LAHD Small Grants and Awards</u>	
			43Y299, Reimbursement of General Fund Costs	\$ 47,682.06
			Subtotal	\$ 182,934.57
 <i>LEAP Program (C.F. 20-0753)</i>	 <u>Fund 49N/43, LAHD Small Grants and Awards</u>		 <u>Fund 100/43, Housing Department (49N/43, 43Y143)</u>	
	43W143, Housing Department	\$ 72,380.67	001010, Salaries, General	\$ 72,380.67
	43W299, Reimbursement of General Fund Costs	32,414.46		
	Subtotal	\$ 104,795.13	<u>Fund 49N/43, LAHD Small Grants and Awards</u>	
			43Y299, Reimbursement of General Fund Costs	\$ 32,414.46
			Subtotal	\$ 104,795.13
 <i>Emergency Rental Assistance</i>	 <u>Fund 64D/43, US Treasury Emergency Rental Assistance Fund</u>		 <u>Fund 100/43, Housing Department (64D/43, 43Y143)</u>	
	43W143, Housing Department	\$ 18,819.41	001010, Salaries, General	\$ 16,364.71
	43W299, Reimbursement of General Fund Costs	12,707.99	006030, Leasing	2,454.70
	Subtotal	\$ 31,527.40		
			<u>Fund 64D/43, US Treasury Emergency Rental Assistance Fund</u>	
			43Y299, Reimbursement of General Fund Costs	\$ 12,707.99
			Subtotal	\$ 31,527.40
 <i>Lead Hazard Remediation Program</i>	 <u>Fund 63C/43, Lead Grant 12 Fund</u>		 <u>Fund 100/43, Housing Department (63C/43, 43Y143)</u>	
	43W143, Housing Department	\$ 57,070.80	001010, Salaries, General	\$ 36,606.01
			006030, Leasing	20,464.79
			Subtotal	\$ 57,070.80
 <i>Eviction Defense Program</i>	 <u>Fund 424/21, Community Development Trust Fund</u>		 <u>Fund 100/43, Housing Department (424/ 21Y143)</u>	
	21W143, Housing Department	\$ 500,000.00	001010, Salaries, General	\$ 335,936.00
			006030, Leasing	164,064.00
			Subtotal	\$ 500,000.00
 <i>United to House LA Translation Services</i>	 <u>Fund 66M/43, House LA Fund</u>		 <u>Fund 66M/43, House LA Fund</u>	
	43Y00B, United to House LA Administration Reserve	\$ 12,000.00	43Y560, Translation Services	\$ 12,000.00
 <i>Housing and Urban Development Cares Reappropriation</i>	 <u>Fund 47X/43, HUD Connections Grant</u>		 <u>Fund 100/43, Housing Department (47X/ 43Y143)</u>	
	43N299, Reimbursement of General Fund Costs	\$ 1,229.81	001010, Salaries, General	\$ 1,229.81

ATTACHMENT 4
FY 2023-24 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Information Technology Agency	<u>Fund 100/32, Information Technology Agency</u>		<u>Fund 100/32, Information Technology Agency</u>	
<i>Various Account Overspending</i>	001010, Salaries General	\$ 1,315,000.00	001070, Salaries As-Needed	\$ 65,000.00
			001090, Overtime General	250,000.00
			001100, Hiring Hall Salaries	900,000.00
			001190, Overtime Hiring Hall	100,000.00
			Subtotal	\$ 1,315,000.00
Personnel Department	<u>Fund 100/66, Personnel Department</u>		<u>Fund 100/66, Personnel Department</u>	
<i>Overtime Staffing</i>	001010, Salaries, General	\$ 175,000.00	001090, Overtime, General	\$ 175,000.00
<i>Employee Transit Subsidies</i>	<u>Fund 525/66 City Employee's Ridesharing Trust Fund</u>		<u>Fund 100/66, Personnel Department (525/66, 66166Y)</u>	
	66200Y, Reserve	\$ 534,000.00	009600, Employee Transit Subsidy	\$ 534,000.00
Police	<u>Fund 100/70, Police</u>		<u>Fund 100/70, Police</u>	
<i>Los Angeles Regional Crime Lab</i>	006010, Office and Administrative	\$ 284,560.00	003040, Contractual Services	\$ 284,560.00
<i>Electrical Vehicle Purchase</i>	<u>Fund 100/70, Police</u>		<u>Fund 100/70, Police</u>	
	001070, Salaries As-Needed	\$ 353,626.66	007340, Transportation Equipment	\$ 353,626.66
Public Works - Sanitation	<u>Fund 100/82, Bureau of Sanitation</u>		<u>Fund 100/82, Bureau of Sanitation</u>	
<i>PW Building Data Center Server</i>	001010, Salaries, General (GF)	\$ 360,000.00	007300, Furniture, Office and Technical Equipment (GF)	\$ 360,000.00
<i>Young's Market Yard Office Equipment</i>	<u>Fund 100/82, Bureau of Sanitation</u>		<u>Fund 100/82, Bureau of Sanitation</u>	
	001010, Salaries, General (GF)	\$ 300,000.00	006010, Office and Administrative (GF)	\$ 300,000.00
<i>Overtime Overspending</i>	<u>Fund 100/82, Bureau of Sanitation</u>		<u>Fund 100/82, Bureau of Sanitation</u>	
	001010, Salaries, General (GF)	\$ 1,000,000.00	001090, Overtime General (GF)	\$ 1,000,000.00
<i>SWRRF Overtime Overspending</i>	<u>Fund 100/82, Bureau of Sanitation (Fund 508/50)</u>		<u>Fund 100/82, Bureau of Sanitation (Fund 508/50)</u>	
	001010, Salaries, General (SWRRF)	\$ 1,000,000.00	001090, Overtime General (SWRRF)	\$ 1,000,000.00
<i>Salaries As-Needed Overspending</i>	<u>Fund 100/82, Bureau of Sanitation</u>		<u>Fund 100/82, Bureau of Sanitation</u>	
	001010, Salaries, General (SCMO Fund 760/50)	\$ 260,000.00	001070, Salaries, As-Needed (SCMO)	\$ 260,000.00
	001010, Salaries, General (SWRRF Fund 508/50)	200,000.00	001070, Salaries, As-Needed (SWRRF)	200,000.00
	001010, Salaries, General (MWLRF Fund 60W/50)	120,000.00	001070, Salaries, As-Needed (MWLRF)	120,000.00
	Subtotal	\$ 580,000.00	Subtotal	\$ 580,000.00
<i>SCM Hiring Hall Overspending</i>	<u>Fund 100/82, Bureau of Sanitation (Fund 760/50)</u>		<u>Fund 100/82, Bureau of Sanitation (Fund 760/50)</u>	
	001010, Salaries, General (SCMO)	\$ 1,300,000.00	001100, Hiring Hall Salaries (SCMO)	\$ 800,000.00
			001120, Benefits Hiring Hall (SCMO)	500,000.00
			Subtotal	\$ 1,300,000.00
<i>Solid Resources Commercial Facilities Contracts</i>	<u>Fund 100/82, Bureau of Sanitation (Fund 46D/50)</u>		<u>Fund 100/82, Bureau of Sanitation (Fund 46D/50)</u>	
	001010, Salaries, General (CRTF)	\$ 140,000.00	003040, Contractual Services (CRTF)	\$ 140,000.00
Public Works - Street Services	<u>Fund 100/86, Bureau of Street Services</u>		<u>Fund 100/86, Bureau of Street Services</u>	
<i>Overtime General and Operating Supplies Overspending</i>	001010, Salaries General	\$ 1,500,000.00	001090, Overtime General	\$ 500,000.00
			006020, Operating Supplies	1,000,000.00
			Subtotal	\$ 1,500,000.00

ATTACHMENT 4
FY 2023-24 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Public Works - Street Services (continued)	<u>Fund 100/86, Bureau of Street Services (57F/50, 50Y186)</u>		<u>Fund 100/86, Bureau of Street Services (57F/50, 50Y186)</u>	
<i>Sidewalk Repair Fund - Hiring Hall Overspending</i>	001010, Salaries General	\$ 1,700,000.00	001090, Overtime General	\$ 500,000.00
			001100, Hiring Hall Salaries	800,000.00
			001120, Benefits Hiring Hall	400,000.00
			Subtotal	\$ 1,700,000.00
<i>Special Gas Tax - Operating Supplies and Overtime General Overspending</i>	<u>Fund 100/86, Bureau of Street Services (206/50, 50Y186)</u>	\$ 1,500,000.00	<u>Fund 100/86, Bureau of Street Services (206/50, 50Y186)</u>	
	001010, Salaries General		001090, Overtime General	\$ 500,000.00
			006020, Operating Supplies	1,000,000.00
			Subtotal	\$ 1,500,000.00
Transportation	<u>Fund 100/94, Transportation</u>		<u>Fund 100/94, Transportation</u>	
<i>Mobility Data Specification Software Licensing Fees and Services</i>	001010, Salaries General	\$ 511,000.00	003040, Contractual Services	\$ 511,000.00
<i>Computer & Smart Screen Replacement</i>	<u>Fund 100/94, Transportation</u>		<u>Fund 100/94, Transportation</u>	
	001070, Salaries As-Needed	\$ 196,000.00	006010, Office & Administrative Expense	\$ 196,000.00
<i>Overtime Expenses (Proposition C)</i>	<u>Fund 100/94, Transportation (Fund 540/94)</u>		<u>Fund 100/94, Transportation (Fund 540/94, 94Y194)</u>	
	001010, Salaries General	\$ 1,556,467.00	001090, Overtime General	\$ 1,556,467.00
<i>Overtime Expenses (Measure M)</i>	<u>Fund 100/94, Transportation (Fund 59C/94)</u>		<u>Fund 100/94, Transportation (Fund 59C/94, 94Y194)</u>	
	001010, Salaries General	\$ 949,893.00	001090, Overtime General	\$ 949,893.00
Youth Development	<u>Fund 100/19, Youth Department</u>		<u>Fund 100/19, Youth Department</u>	
<i>Salaries General reimbursement</i>	001070, Salaries As-Needed	\$ 10,561.00	001010, Salaries General	\$ 10,561.00
Zoo	<u>Fund 100/87, Zoo (40E/87, 87Y187)</u>		<u>Fund 100/87, Zoo (40E/87, 87Y187)</u>	
<i>Deferred Maintenance Needs</i>	001100, Hiring Hall Salaries	\$ 200,000.00	001120, Benefits Hiring Hall	\$ 200,000.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 35,338,085.20		\$ 35,338,085.20

ATTACHMENT 5

**FY 2023-24 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Building and Safety	<u>Fund 346/08, Repair and Demolition Fund</u>		<u>Fund 100/40, General Services (346/08_08140Y)</u>	
<i>Nuisance Abatement</i>	08000A, Expenditure	\$ 153,010.00	001101, Hiring Hall Construction	\$ 39,447.00
			001121, Benefits Hiring Hall Construction	23,747.00
			003180, Construction Materials	89,816.00
			Subtotal	<u>\$ 153,010.00</u>
City Tourism	<u>Fund 725/48, Los Angeles Convention Center Revenue Trust Fund</u>		<u>Fund 100/48, City Tourism Department</u>	
<i>Reimbursement of 2022-23 Related Costs</i>	48299Y, Reimbursement of General Fund Costs	\$ 399,356.00	RSC 5331, Reimbursement of Related Costs - Prior Year	\$ 399,356.00
Council	<u>Fund 53P, State AB 1290 City Fund</u>		<u>Fund 100/56, General City Purposes Fund</u>	
<i>Council District 10 Community Services</i>	281210, CD 10 Redevelopment Fund	\$ 250,000.00	000710, Community Services District 10	\$ 250,000.00
<i>Council District 14 Pershing Square Events</i>	<u>Fund 53P, State AB 1290 City Fund</u>		<u>Fund 58Q/89, Pershing Square Park and Garage Fund</u>	
	281214, CD 14 Redevelopment Fund	\$ 216,825.00	89N861, Pershing Square Operation	\$ 216,825.00
<i>Council District 14 Expenses</i>	<u>Fund 53P, State AB 1290 City Fund</u>		<u>Fund 100/28, Council</u>	
	281214, CD 14 Redevelopment Fund	\$ 350,000.00	001070, Salaries, As-Needed	\$ 350,000.00
Economic and Workforce Development	<u>Fund 100/22, Economic and Workforce Development</u>		<u>Fund 100/66, Personnel</u>	
<i>Personnel Department's Support for EWDD</i>	001010, Salaries General (Fund 100)	\$ 26,862.00	001010, Salaries General	\$ 26,862.00
	001010, Salaries General (Fund 424)	13,066.00	001010, Salaries General (424/21, 21Y166)	13,066.00
	001010, Salaries General (Fund 57D)	2,886.00	001010, Salaries General (57D/22, 22Y166)	2,886.00
	Subtotal	<u>\$ 42,814.00</u>	Subtotal	<u>\$ 42,814.00</u>
<i>ARPA Business Assistance Programs</i>	<u>Fund 64N/22, ARPA Business Assistance Programs</u>		<u>Fund 100/66, Personnel (64N/22, 21Y166)</u>	
<i>LA Optimized Program</i>	22V769, Reserved for EWDD Oversight	\$ 6,378.00	001010, Salaries General	\$ 6,378.00
<i>Legacy Business Recovery Program</i>	<u>Fund 64N/22, ARPA Business Assistance Programs</u>		<u>Fund 100/66, Personnel (64N/22, 21Y166)</u>	
	22V835, Legacy Business Recovery Program	\$ 3,189.00	001010, Salaries General	\$ 3,189.00
<i>Californians for All Youth Workforce Development Grant</i>	<u>Fund 65N/22 Californians for All Youth Workforce Development Grant</u>		<u>Fund 100/21, Community Investment for Families (65N/22, 22Y121)</u>	
<i>Re-appropriation of CIFD Balance from FY 22-23</i>	22V6AM, Teen Parent Prosper	\$ 41,422.00	001010, Salaries General	\$ 81,270.88
	22W121, Community Investment for Families Department	39,848.88		
	Subtotal	<u>\$ 81,270.88</u>		
<i>Re-appropriation of BPW Balance from FY 22-23</i>	<u>Fund 65N/22 Californians for All Youth Workforce Development Grant</u>		<u>Fund 100/74, Board of Public Works (65N/22, 22Y174)</u>	
	22W174, Bureau of Public Works	\$ 11,827,181.00	001010, Salaries General	\$ 611,575.00
			001070, Salaries As Needed	42,510.00
			003040, Contractual Services	11,173,096.00
			Subtotal	<u>\$ 11,827,181.00</u>
<i>Equity Community Revitalization Grant</i>	<u>Fund 66A/22, Equitable Community Revitalization Grant</u>		<u>Fund 100/22, Economic and Workforce Development (66A/22, 21Y166)</u>	
	22W166, Personnel	\$ 1,605.00	001010, Salaries General	\$ 1,605.00
General Services Department	<u>Fund 100/40, General Services Department</u>		<u>Fund 100/32, Information Technology Agency</u>	
<i>Server Room Network Switches</i>	006010, Office and Administrative	\$ 73,603.00	009350, Communication Services	\$ 73,603.00
Information Technology Agency	<u>Fund 100/32, Information Technology Agency</u>		<u>Fund 100/26, Office of the Controller</u>	
<i>HRP Parallel Testing Support</i>	003040, Contractual Services	\$ 906,000.00	003040, Contractual Services	\$ 906,000.00
<i>Customer Relations Management System</i>	<u>Fund 100/32, Information Technology Agency</u>		<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>	
	003040, Contractual Services	\$ 90,245.00	RSC 5301, Reimbursements from Other Funds	\$ 90,245.00
<i>Council Chambers Lighting</i>	<u>Fund 100/32, Information Technology Agency</u>		<u>Fund 65J/32, PEG Department Fund</u>	
	003040, Contractual Services (65H/32/32132Y)	\$ 135,087.00	32015Y, L.A. Cityview 35 Operations	\$ 270,000.00
	003040, Contractual Services (342/32/32132Y)	134,913.00		
	Subtotal	<u>\$ 270,000.00</u>		

ATTACHMENT 5

**FY 2023-24 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

TRANSFER FROM		TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Library	<u>Fund 424/21 Community Development Trust Fund</u>		<u>Fund 300/44 Library (424/21, 21Y300)</u>	
<i>Covid-19 Tech2Go Hotspot Program</i>	21W300, Library	\$ 1,228,250.06	006010, Office and Administrative	\$ 1,228,250.06
<i>Alterations and Improvements</i>	<u>Fund 300/44, Library Fund</u>		<u>Fund 100/40, General Services Department</u>	
	003040, Contractual Services	\$ 918,717.24	001014, Salaries, Construction Projects	\$ 620,473.24
			003180, Construction Materials	298,244.00
			Subtotal	\$ 918,717.24
Mayor	<u>Fund 63R/46, FY2020 Legislative Pre-Disaster Mitigation Grant</u>		<u>Fund 100/46 Mayor (63R/46, 46Y299)</u>	
<i>Homeland Security Grant</i>	46W299, Reimbursement of General Fund Costs	\$ 4,261.89	RSRC 5346, Related Costs Reimbursement from Grants	\$ 4,261.89
<i>Public Safety Grant</i>	<u>Fund 64V/46, FY20 Justice Assistance Grant Fund</u>		<u>Fund 100/46 Mayor (64V/46, 46Y299)</u>	
	46W299, Reimbursement of General Fund Costs	\$ 69,348.04	RSRC 5346, Related Costs Reimbursement from Grants	\$ 69,348.04
<i>Public Safety Grant</i>	<u>Fund 64W/46, FY2021 Regional Catastrophic Preparedness Grant</u>		<u>Fund 100/46, Mayor (64W/46, 46Y299)</u>	
	46W299, Reimbursement of General Fund Costs	\$ 12,464.34	RSRC 5346, Related Costs Reimbursement from Grants	\$ 12,464.34
<i>Homeland Security Grant</i>	<u>Fund 66F/46, FY 2021 State Homeland Security Program Grant Fund</u>		<u>Fund 100/38, Fire (66F/46, 46Y138)</u>	
	46W138, Fire	\$ 87,433.00	001098, Overtime, Variable Staffing	\$ 67,433.00
	46W170, Police	31,197.27	003040, Contractual Services	20,000.00
	46W299, Reimbursement of General Fund	4,765.83		
	46Y970, LAPD Grant Allocation	100,000.00	<u>Fund 100/70, Police (66F/46, 46Y170)</u>	
	Subtotal	\$ 223,396.10	001092, Overtime, Sworn	123,102.05
			<u>Fund 100/70, Police (66F/46, 46Y299)</u>	
			RSRC 5346, Related Costs Reimbursement from Grants	12,861.05
			Subtotal	\$ 223,396.10
<i>Homeland Security Grant</i>	<u>Fund 64G/46, FY20 Securing the Cities (STC) Fund</u>		<u>Fund 100/46, Mayor (64G/46, 46Y299)</u>	
	46W299, Reimbursement of General Fund	\$ 290,000.00	RSC 5346, Related Costs Reimbursement from Grants	\$ 290,000.00
	46W138, Fire	124,000.00		
	46W170, Police	569,048.79	<u>Fund 100/38, Fire (64G/46, 46Y138)</u>	
	Subtotal	\$ 983,048.79	001098, Overtime, Variable Staffing	124,000.00
			<u>Fund 100/70, Police (64G/46, 46Y170)</u>	
			001092, Overtime, Sworn	519,964.17
			<u>Fund 100/70, Police (64G/46, 46Y299)</u>	
			RSRC 5346, Related Costs Reimbursement from Grants	\$ 49,084.62
			Subtotal	\$ 983,048.79
<i>International Engagement</i>	<u>Fund 100/56, General City Purposes</u>		<u>Fund 100/46, Mayor</u>	
	000A16, International Engagement	\$ 620,000.00	001010, Salaries, General	\$ 525,000.00
			002130, Travel	25,000.00
			003040, Contractual Services	45,000.00
			006010, Office and Administrative	25,000.00
			Subtotal	\$ 620,000.00
Police	<u>Fund 100/70, Police</u>		<u>Fund 100/40, General Services</u>	
<i>Cellular Downlink</i>	004430, Uniforms	\$ 414,112.00	003090, Field Equipment Expense	\$ 87,112.00
			<u>Fund 100/32, Information Technology</u>	
			009350, Communication Services	\$ 327,000.00
			Subtotal	\$ 414,112.00
<i>CD 2 Fireworks Suppression (C.F. 23-0328)</i>	<u>Fund 53P/28, State AB1290 City Fund</u>		<u>Fund 100/70, Police Department</u>	
	281202 - CD 2 Redevelopment Projects - Services	\$ 30,000.00	001092, Overtime Sworn	\$ 30,000.00

ATTACHMENT 5

**FY 2023-24 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

TRANSFER FROM		TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Police (continued)	<u>Fund 339/70, Police Department Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
2022 Selective Traffic Enforcement Program 70W527 (C.F. 22-1103)	70W170, Police	\$ 1,457,226.66	001092, Overtime Sworn	\$ 1,384,450.23
			001090, Overtime General	72,776.43
			Subtotal	\$ 1,457,226.66
2022 Internet Crimes Against Children - CalOES 70W559 (C.F. 23-0184)	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 110,000.00	<u>Fund 100/70, Police Department</u>	\$ 100,000.00
	70W170, Police		001092, Overtime Sworn	10,000.00
			001090, Overtime General	
			Subtotal	\$ 110,000.00
2021 Internet Crimes Against Children - OJJDP 70V416 (C.F. 22-0110)	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 88,098.63	<u>Fund 100/70, Police Department</u>	\$ 66,913.86
	70W170, Police		001092, Overtime Sworn	21,184.77
			001090, Overtime General	
			Subtotal	\$ 88,098.63
	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 107,800.00	<u>Fund 100/70, Police Department</u>	\$ 100,400.00
	70V416, 2021 ICAC-OJJDP		001092, Overtime Sworn	7,400.00
			001090, Overtime General	
			Subtotal	\$ 107,800.00
	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 9,850.00	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 9,850.00
	70V416, 2021 ICAC-OJJDP		70Y299, Related Costs	
	Subtotal	\$ 205,748.63	Subtotal	\$ 205,748.63
2022 Coverdell Forensic Science, 70W40A (C.F. 22-1482)	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 8,000.00	<u>Fund 100/70, Police Department</u>	\$ 8,000.00
	70W170, Police		001090, Overtime General	
2022 COPS Microgant, 70W579 (C.F. 22-1483)	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 42,500.00	<u>Fund 100/70, Police Department</u>	\$ 42,500.00
	70W170, Police		001092, Overtime Sworn	
2022 Body-Worn Camera - Training, 70W577 (C.F. 22-1481)	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 267,947.00	<u>Fund 100/70, Police Department</u>	\$ 238,873.00
	70W170, Police		001092, Overtime Sworn	29,074.00
			001090, Overtime General	
			Subtotal	\$ 267,947.00
2021-23 Intellectual Property Enforcement Grant 70V301 (C.F. 21-1407)	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 30,509.73	<u>Fund 100/70, Police Department</u>	\$ 20,732.42
	70W170, Police		001092, Overtime Sworn	9,777.31
			001090, Overtime General	
	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 8,493.24	<u>Fund 100/70, Police Department</u>	\$ 8,493.24
	70V170, Police		001092, Overtime Sworn	
	Subtotal	\$ 39,002.97	Subtotal	\$ 39,002.97
2021-23 Crisis Response Training, 70V571 (C.F. 22-0057)	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 45,307.44	<u>Fund 100/70, Police Department</u>	\$ 45,307.44
	70W170, Police		001092, Overtime Sworn	
	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 2,906.00	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 2,906.00
	70W170, Police		70Y299, Related Costs	
	Subtotal	\$ 48,213.44	Subtotal	\$ 48,213.44
2021 CPD De-Escalation, 70V5668 (C.F. 21-1292)	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 31,575.66	<u>Fund 100/70, Police Department</u>	\$ 31,575.66
	70W170, Police		001092, Overtime Sworn	
2022 CPD De-Escalation Training, 70W568 (C.F. 22-1484)	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 180,636.00	<u>Fund 100/70, Police Department</u>	\$ 180,636.00
	70W170, Police		001092, Overtime Sworn	
2020 Port Security Grant, 70T555 (C.F. 20-1216)	<u>Fund 339/70, Police Department Grant Fund</u>	\$ 21,774.82	<u>Fund 100/70, Police Department</u>	\$ 13,217.00
	70W170, Police		001092, Overtime Sworn	8,557.82
			001090, Overtime General	
			Subtotal	\$ 21,774.82

ATTACHMENT 5

**FY 2023-24 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

TRANSFER FROM		TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Police (continued)	<u>Fund 339/70, Police Department Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
2021 Comprehensive Youth Violence Prevention and Reduction Program, 70W569 (C.F. 22-0059)	70W170, Police	\$ 11,400.00	001090, Overtime General	\$ 11,400.00
2022 Body-Worn Camera - Digital Evidence Management 70W409 (C.F. 22-1481-S1)	<u>Fund 339/70, Police Department Grant Fund</u> 70W170, Police	\$ 79,215.00	<u>Fund 100/70, Police Department</u> 001092, Overtime Sworn 001090, Overtime General	\$ 50,050.00 29,165.00
			Subtotal	\$ 79,215.00
2022 Off-Highway Motor Vehicle Recreation Grant Program Law Enforcement, 70W564 (C.F. 22-1522)	<u>Fund 339/70, Police Department Grant Fund</u> 70W170, Police	\$ 70,020.00	<u>Fund 100/70, Police Department</u> 001092, Overtime Sworn	\$ 70,020.00
	<u>Fund 339/70, Police Department Grant Fund</u> 70W170, Police	\$ 6,610.00	<u>Fund 339/70, Police Department Grant Fund</u> 70Y299, Related Costs	\$ 6,610.00
	Subtotal	\$ 76,630.00	Subtotal	\$ 76,630.00
2022 Off-Highway Motor Vehicle Recreation Grant Program Education & Safety, 70W56E (C.F. 22-1522-S1)	<u>Fund 339/70, Police Department Grant Fund</u> 70W170, Police	\$ 168,000.00	<u>Fund 100/70, Police Department</u> 001092, Overtime Sworn	\$ 168,000.00
2020 Project Safe Neighborhood, 70W564 (C.F. 21-0849)	<u>Fund 339/70, Police Department Grant Fund</u> 70W170, Police	\$ 1,223.22	<u>Fund 100/70, Police Department</u> 001092, Overtime Sworn	\$ 1,223.22
2021 Project Safe Neighborhood, 70W564 (C.F. 22-1188)	<u>Fund 339/70, Police Department Grant Fund</u> 70W170, Police	\$ 149,468.00	<u>Fund 100/70, Police Department</u> 001092, Overtime Sworn	\$ 149,468.00
2023 Regional Threat Assessment Center Program 70W578 (C.F. 21-0460-S2)	<u>Fund 339/70, Police Department Grant Fund</u> 70W170, Police	\$ 20,102.00	<u>Fund 100/70, Police Department</u> 001092, Overtime Sworn	\$ 20,102.00
2022 Prosecuting Cold Cases with DNA 70W528 (C.F. 22-1479)	<u>Fund 339/70, Police Department Grant Fund</u> 70W170, Police	\$ 151,798.00	<u>Fund 100/70, Police Department</u> 001092, Overtime Sworn 001090, Overtime General	\$ 100,074.00 51,724.00
			Subtotal	\$ 151,798.00
2021 Connect and Protect for Law Enforcement 70W573 (C.F. 22-0282)	<u>Fund 339/70, Police Department Grant Fund</u> 70W170, Police	\$ 95,294.93	<u>Fund 100/70, Police Department</u> 001092, Overtime Sworn	\$ 95,294.93
2021 Collaborative Approaches to Addressing and Preventing Hate Crimes, 70W574 (C.F. 22-0417)	<u>Fund 339/70, Police Department Grant Fund</u> 70W170, Police	\$ 201,006.82	<u>Fund 100/70, Police Department</u> 001092, Overtime Sworn 001090, Overtime General	\$ 158,506.82 42,500.00
	<u>Fund 339/70, Police Department Grant Fund</u> 70W574, 2021 Collaborative Approaches to Prevent & Address Hate Crime	\$ 20,255.36	<u>Fund 339/70, Police Department Grant Fund</u> 70Y299, Related Costs	\$ 20,255.36
	Subtotal	\$ 221,262.18	Subtotal	\$ 221,262.18
2021 Targeted Violence and Terrorism Prevention 70V572 (C.F. 21-1476)	<u>Fund 339/70, Police Department Grant Fund</u> 70W170, Police	\$ 2,955.11	<u>Fund 100/70, Police Department</u> 001092, Overtime Sworn	\$ 2,955.11
Public Works - Sanitation	<u>Fund 508/50 Solid Waste Resources Revenue Fund</u>		<u>Fund 100/08, Building and Safety</u>	
FY2023 Position Loan Reimbursement	50W182, Bureau of Sanitation	\$ 5,742.00	RSC 5168, Reimb of Prior Year Salary	\$ 5,742.00
BPW Personnel Support Reimbursement	<u>Fund 100/82, Bureau of Sanitation</u> 001010, Salaries, General (GF)	\$ 55,000.00	<u>Fund 100/74, Public Works - Board of Public Works</u> 001070, Salaries, As-Needed	\$ 55,000.00
Data Port Installation	<u>Fund 100/82, Bureau of Sanitation</u> 001010, Salaries, General (SWRRF Fund 508/50) 001010, Salaries, General (SCMO Fund 760/50) 001010, Salaries, General (SPA Fund 511/50) 001010, Salaries, General (CRTF Fund 46D/50) 001010, Salaries, General (GF)	\$ 7,450.00 70.00 700.00 105.00 175.00	<u>Fund 100/32, Information Technology Agency</u> 009350, Communication Services (SWRF Fund 508/50) 009350, Communication Services (SPA Fund 511/50) 009350, Communication Services (SCMO Fund 760/50) 009350, Communication Services (CRTF Fund 46D/50) 009350, Communication Services (GF)	\$ 7,450.00 70.00 700.00 105.00 175.00
	Subtotal	\$ 8,500.00	Subtotal	\$ 8,500.00

ATTACHMENT 5

**FY 2023-24 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

TRANSFER FROM		TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Public Works - Sanitation (continued)	<u>Fund 508/50 Solid Waste Resources Revenue Fund</u>		<u>Fund 100/32, Information Technology Agency</u>	
<i>CHE Fiber Service Lease Reimbursement</i>	50YX82, PW-Sanitation Expense and Equipment	\$ 73,046.40	003040, Contractual Services	\$ 73,046.40
	<u>Fund 760/50 Sewer Operations and Maintenance Fund</u>		<u>Fund 100/32, Information Technology Agency</u>	
	50YX82, PW-Sanitation Expense and Equipment	\$ 73,046.40	003040, Contractual Services	\$ 73,046.40
	Subtotal	\$ 146,092.80	Subtotal	\$ 146,092.80
Public Works - Street Lighting	<u>Fund 65Q/50, Digital Inclusion Fund</u>		<u>Fund 300/44, Library</u>	
<i>FUSE Fellow</i>	50VUBS, Universal Broadband Services	\$ 180,000.00	003040, Contractual Services	\$ 180,000.00
Transportation	<u>Fund 51Q/94 Measure R Local Return Fund</u>		<u>Fund 100/94, Transportation (Fund 51Q/94, 94Y194)</u>	
<i>Pavement Preservation Overtime</i>	94YC01, Pavement Preservation Overtime	\$ 700,000.00	001090, Overtime General	\$ 700,000.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 23,660,383.76		\$ 23,660,383.76

ATTACHMENT 6

**FY 2023-24 BUDGET ADJUSTMENTS
 APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE**

APPROPRIATE FROM:	APPROPRIATE TO:	AMOUNT
<u>Fund, 100/58, Unappropriated Balance</u>		
580265, Animal Services Sterilization Trust Fund	<u>Fund 842/06, Animal Sterilization Fund</u> 060053, Community Cat S/N Program	\$ 500,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/12, City Attorney</u> 009301, City Attorney Outside Counsel	\$ 2,000,000.00
580410, Election Expenses - Special Runoff 2023	<u>Fund 100/14, City Clerk</u> 004170, Elections	\$ 2,150,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/28, Council</u> 003040, Contractual Services	\$ 178,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/28, Council</u> 003040, Contractual Services	\$ 460,000.00
580132, Equipment, Expenses, Alteration & Improvement	<u>Fund 100/40, General Services</u> 001101, Hiring Hall Construction 001121, Benefits Hiring Hall Construction 003180, Construction Materials	\$ 47,997.00 19,825.00 10,459.00
	Subtotal	<u>\$ 78,281.00</u>
580132, Equipment, Expenses, Alteration & Improvement	<u>Fund 100/32, Information Technology Agency</u> 009350, Communication Services	\$ 84,092.75
TOTAL APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE		\$ 5,450,373.75

**ATTACHMENT 7A
STATUS OF UNAPPROPRIATED BALANCE
GENERAL ACCOUNT**

C.F.	Appropriations	Date	Amount
23-0600	General		\$ 50,000
	Approved Transfer		
		Balance Available	<u>50,000.00</u>
	Anticipated Appropriations		
		Projected Balance Available	<u>\$ 50,000.00</u>

ATTACHMENT 7B
Status of the Unappropriated Balance, Reserve for Mid Year Adjustments

2023-24 Budget	\$ 30,000,000.00
First FSR Recommendations	
Transfer Out:	
Transfer to Council - Living Wage Ordinance and Hotel Worker Minimum Wage Ordinance Study	(178,000.00)
Transfer to Council - Public Bank Study (Phase I)	(460,000.00)
Transfer to City Attorney - Outside Counsel	(2,000,000.00)
	Subtotal \$ (2,638,000.00)
	Subtotal First FSR Recommendations (2,638,000.00)
Year-end Available	<u><u>\$ 27,362,000.00</u></u>

**ATTACHMENT 7C
STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT**

Account No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reapprop.	Appropriated during year	First FSR	Appropriated during year	Second FSR	Appropriated during year	Mid-Year FSR	Appropriated during year	Year-End FSR	Available Balance
	General Fund												
580414	Acquisition for Interim and Permanent Housing	GSD	\$ 15,000,000		(15,000,000)								\$ -
580428	After-Action Implementation Plan	Police	\$ 8,832,873										\$ 8,832,873.00
580424	Animal Services Operations	Animal Services	\$ 277,048										\$ 277,048.00
580265	Animal Services Sterilization Trust Fund	Animal Services	\$ -	500,000		(500,000)							\$ -
580366	Child Care and Learning Centers	RAP	\$ 5,000,000										\$ 5,000,000.00
580422	Citywide Recreational Vehicle Program	Police	\$ 3,000,000										\$ 3,000,000.00
580407	Civil Case Management System Replacement	City Atty	\$ 100,000										\$ 100,000.00
580420	CleanLA	PW Board	\$ 1,500,000										\$ 1,500,000.00
580416	Community Safety Partnership Program	Police	\$ 1,000,000										\$ 1,000,000.00
580404	Decarbonization and Development of Solar on City Facilities	GSD	\$ 22,759,788										\$ 22,759,788.00
580383	Department Payroll Reconciliation	All	\$ -	73,048,025									\$ 73,048,025.00
580409	Election Expenses - Primary March 2024	City Clerk	\$ 10,000,000										\$ 10,000,000.00
580410	Election Expenses - Special Runoff 2023	City Clerk	\$ 4,075,000			(2,150,000)							\$ 1,925,000.00
580132	Equipment, Expense, and Alterations & Improv.	Mayor/Council	\$ 5,544,725	1,103,525		(162,374)							\$ 6,485,876.15
580395	Fire Psychologist	Fire	\$ -	250,000									\$ 250,000.00
580419	Fire Voice Radio System Upgrade	Fire	\$ 3,800,000										\$ 3,800,000.00
580231	Gang Injunction Settlement Agreement	EWDD	\$ 5,023,480										\$ 5,023,480.00
580363	Gang Reduction and Youth Development	Mayor	\$ 12,920,869		(12,920,869)								\$ -
580001	General (see Attachment 7A)	All	\$ 50,000										\$ 50,000.00
580304	Ground Emergency Medical Transport QAF Program	Fire	\$ 6,700,000		(6,700,000)								\$ -
580412	Hazardous Materials Response Program	Fire	\$ 169,200										\$ 169,200.00
580381	LAHSA Homeless Engagement Teams	GCP	\$ 4,641,754										\$ 4,641,754.00
580327	Los Angeles County Metropolitan Transportation Authority	Police	\$ 10,000,000										\$ 10,000,000.00
580274	Mutual Aid Overtime	Fire	\$ 3,000,000		(3,000,000)								\$ -
580380	MyLA311 Replacement	ITA	\$ -	1,000,000									\$ 1,000,000.00
580199	Neighborhood Councils	DONE	\$ 32,000										\$ 32,000.00
580168	Office of Public Accountability Studies	OPA	\$ 742,414										\$ 742,414.00
580197	Outside Counsel including Workers' Comp	City Atty	\$ 3,250,000		(200,000)								\$ 3,050,000.00
580427	Police Department Hiring and Overtime	Police	\$ 10,000,000										\$ 10,000,000.00
580415	Police Department Hiring Bonus	Police	\$ 3,647,000										\$ 3,647,000.00
580429	Police Department Sworn Overtime - Interim Homeless Housing	Police	\$ 6,270,000										\$ 6,270,000.00
580430	Quiet Zone Study	DOT	\$ 500,000										\$ 500,000.00
580384	Reserve for Allocation of FEMA Reimbursement	All	\$ 41,731,000										\$ 41,731,000.00
580232	Reserve for Extraordinary Liability	All	\$ 20,000,000										\$ 20,000,000.00
580196	Reserve for Mid-Year Adjustments	All	\$ 30,000,000			(2,638,000)							\$ 27,362,000.00
580372	Senior Meals Program	Aging	\$ 10,000,000										\$ 10,000,000.00
580377	Social Equity Program	Cannabis	\$ -	3,000,000									\$ 3,000,000.00
580423	Substance Use Disorder Treatment Beds	GCP	\$ 11,810,000		(3,912,829)								\$ 7,897,170.83
580426	Therapeutic Van Pilot Program	Fire	\$ 1,000,000										\$ 1,000,000.00
580418	Tourism Master Plan Amendment	CTD	\$ 250,000										\$ 250,000.00
580185	Tree Trimming Services	St. Svcs	\$ 1,000,000		(1,000,000)								\$ -
580425	Unarmed Crisis Response	CAO	\$ 13,245,176										\$ 13,245,176.00
580413	Vehicles for Elected Officials	GSD	\$ 600,000										\$ 600,000.00
580396	Wildland Fuel Management Paid Crew	Fire	\$ 424,062	519,039									\$ 943,101.00
580421	Zoo Assessment	Zoo	\$ 1,500,000										\$ 1,500,000.00
			\$ 279,396,389	\$ 79,420,589	\$ (42,733,698)	\$ (5,450,374)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,632,905.98
	Special Funds												
580238	Accessible Housing Program Retrofit Contracts	Housing	\$ 6,000,000										\$ 6,000,000.00
580388	Opioid Settlement	CAO	\$ 11,668,975		(3,912,829)								\$ 7,756,145.84
			\$ 17,668,975	\$ -	\$ (3,912,829)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,756,145.84
	Grand Total		\$ 297,065,364	\$ 79,420,589	\$ (46,646,527)	\$ (5,450,374)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,389,051.82

STATUS OF LIABILITY CLAIMS ACCOUNTS

Department/Bureau	Account	Budget		Paid	Available Balance After Paid Amounts	Pending Payments	Available Balance Based After Paid and Pending Payments	Percent of Available Balance to Adjusted Budget ¹
		(A1)	(A2)	(B)	(C=A2+B)	(D)	(E=C+D)	
		2023-24 City Budget	2023-24 Adjusted Budget	Amount	Amount	Amount	Amount	
Fire	009790	\$ -	\$ -	\$ -	\$ -	\$ (299,000)	\$ (299,000)	-5%
General Services	009791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Police	009792	\$ -	\$ 325,000	\$ -	\$ 325,000	\$ (5,059,448)	\$ (4,734,448)	-5.7%
PW/Engineering	009793	\$ -	\$ 2,600,318	\$ (2,600,318)	\$ -	\$ -	\$ -	-4%
PW/Sanitation	009794	\$ 7,370,072	\$ 7,370,072	\$ (3,084,255)	\$ 4,285,817	\$ (210,000)	\$ 4,075,817	55%
PW/Street Services	009795	\$ -	\$ 497,500	\$ (497,500)	\$ -	\$ (300,000)	\$ (300,000)	-12%
Recreation & Parks	009796	\$ -	\$ -	\$ -	\$ -	\$ (300,000)	\$ (300,000)	-1%
Transportation	009797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-12%
Miscellaneous ¹	009798	\$ 80,000,000	\$ 76,577,182	\$ (5,977,163)	\$ 70,600,019	\$ (1,594,472)	\$ 69,005,547	-27%
TOTALS		\$ 87,370,072	\$ 87,370,072	\$ (12,159,236)	\$ 75,210,836	\$ (7,762,920)	\$ 67,447,916	77%

Note:

¹ Applies to PW/Sanitation and Miscellaneous Liability Accounts relative to the Adjusted Budget.

**ATTACHMENT 9
EMPLOYMENT LEVEL REPORT
FY 2023-24**

Department	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.	
	2023-24 Budget	Start of August	Changes	End of August	Start of August	Changes			End of August
Aging	49	53	-	53	45	(1)	44	9	-
Animal Services	344	393	-	393	332	(4)	328	65	1
Building and Safety	1,026	1,152	-	1,152	927	8	935	217	1
Cannabis Regulation	26	59	-	59	54	(1)	53	6	-
City Administrative Officer	156	195	-	195	172	3	175	20	7
City Attorney	899	1,081	-	1,081	951	6	957	124	22
City Clerk	117	135	-	135	104	(2)	102	33	-
City Planning	419	576	-	576	439	(1)	438	138	-
City Tourism	12	12	-	12	8	-	8	4	-
Civil, Human Rights and Equity	6	46	-	46	35	(2)	33	13	2
Community Investment for Families	69	102	-	102	91	(3)	88	14	-
Controller	158	182	-	182	140	1	141	41	3
Cultural Affairs	91	107	-	107	69	-	69	38	-
Disability	27	36	-	36	28	-	28	8	-
Economic & Workforce Development	87	171	-	171	121	-	121	50	-
El Pueblo	10	11	-	11	8	-	8	3	-
Emergency Management	27	34	-	34	27	-	27	7	-
Employee Relations Board	3	3	-	3	3	-	3	-	-
Ethics Commission	37	45	-	45	37	2	39	6	-
Finance	358	397	-	397	293	8	301	96	5
Fire - Civilian	415	440	-	440	332	(1)	331	109	3
Fire - Sworn	3,520	3,861	-	3,861	3,444	(9)	3,435	426	322
General Services	1,458	1,507	-	1,507	1,224	8	1,232	275	4
Housing	531	762	2	764	639	1	640	124	2
Information Technology Agency	451	462	-	462	367	(3)	364	98	-
Neighborhood Empowerment	35	42	-	42	35	(1)	34	8	-
Personnel	586	671	-	671	566	11	577	94	15
Police - Civilian	3,321	3,362	-	3,362	2,632	(2)	2,630	732	-
Police - Sworn	10,597	10,750	3	10,753	8,997	(35)	8,962	1,791	5
Public Accountability	9	9	-	9	3	-	3	6	-
PW/Board of Public Works	90	136	-	136	109	1	110	26	-
PW/Bureau of Contract Administration	308	406	1	407	296	8	304	103	1
PW/Bureau of Engineering	773	985	-	985	762	(3)	759	226	4
PW/Bureau of Sanitation	3,164	3,815	-	3,815	3,001	7	3,008	807	8
PW/Bureau of Street Lighting	214	409	-	409	291	1	292	117	4
PW/Bureau of Street Services	994	1,568	-	1,568	1,155	(12)	1,143	425	8
Transportation	1,441	1,837	-	1,837	1,434	9	1,443	394	7
Youth Development	5	22	-	22	16	1	17	5	-
Zoo	275	297	-	297	241	-	241	56	4
Subtotal	32,108	36,131	6	36,137	29,428	(5)	29,423	6,714	428
Library	1,284	1,284	-	1,284	986	(3)	983	301	-
Recreation and Parks	1,612	1,987	-	1,987	1,500	7	1,507	480	276
Subtotal	2,896	3,271	-	3,271	2,486	4	2,490	781	276
Total	35,004	39,402	6	39,408	31,914	(1)	31,913	7,495	704

"Position Authorities-Start of August" includes resolution authority and substitute positions.

Monthly Summary	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.	
	2023-24 Budget	Start of Month	Changes	End of Month	Start of Month	Changes			End of Month
July	35,004	39,390	12	39,402	31,860	54	31,914	7,488	698
August	35,004	39,402	6	39,408	31,914	(1)	31,913	7,495	704

2023-24 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK
(\$ millions)

	Adopted 2023-24	2024-25	2025-26	2026-27	2027-28
ESTIMATED GENERAL FUND REVENUE					
General Fund Base (1)	\$ 7,446.0	\$ 7,903.3	\$ 8,079.0	\$ 8,385.0	\$ 8,631.0
Revenue Growth (2)					
Property Related Taxes (3)	(4.6)	177.2	153.5	176.5	183.8
Business and Sales Taxes (4)	79.8	53.4	57.8	54.8	51.8
Utility Users Tax (5)	36.4	10.1	11.9	13.7	14.6
Departmental Receipts (6)	90.4	57.8	66.1	69.2	72.4
Other Fees, Taxes, and Transfers (7)	133.6	22.5	16.7	(68.2)	23.8
SPRF Transfer (8)	2.0	(8.9)	-	-	-
Transfer from the Budget Stabilization Fund (9)	-	-	-	-	-
Transfer from Reserve Fund (10)	119.7	(136.4)	-	-	-
Total Revenue	\$ 7,903.3	\$ 8,079.0	\$ 8,385.0	\$ 8,631.0	\$ 8,977.4
<i>General Fund Revenue Increase %</i>	<i>6.1%</i>	<i>2.2%</i>	<i>3.8%</i>	<i>2.9%</i>	<i>4.0%</i>
<i>General Fund Revenue Increase \$</i>	<i>457.3</i>	<i>175.7</i>	<i>306.0</i>	<i>246.0</i>	<i>346.4</i>
ESTIMATED GENERAL FUND EXPENDITURES					
General Fund Base (11)	\$ 7,446.0	\$ 7,903.3	\$ 8,147.2	\$ 8,150.9	\$ 8,249.8
Incremental Changes to Base: (12)					
Employee Compensation Adjustments (13)	111.8	154.5	59.5	60.7	73.5
City Employees' Retirement System (14)	39.3	109.7	(20.0)	37.4	25.6
Fire and Police Pensions (14)	(23.6)	26.4	(118.3)	2.1	9.3
Workers' Compensation Benefits (15)	14.7	5.1	6.1	7.8	9.8
Health, Dental, and Other Benefits (16)	41.9	35.2	31.3	33.0	34.8
Debt Service (17)	(50.8)	7.5	(1.7)	6.5	(12.2)
Delete Resolution Authorities (18)	(124.8)	-	-	-	-
Add New and Continued Resolution Authorities (19)	148.2	-	-	-	-
Delete One-Time Costs (19)	(52.7)	(22.9)	-	-	-
Add One-Time Costs (19)	28.0	-	-	-	-
Comprehensive Homeless Strategy (20)	273.9	(121.0)	-	-	-
Unappropriated Balance (21)	(51.6)	3.7	(8.9)	(91.1)	-
CTIEP-Municipal Facilities and Physical Plant (22)	13.7	(16.4)	6.4	0.5	(3.5)
CTIEP-Sidewalks (23)	6.7	5.9	-	-	5.5
CTIEP-Pavement Preservation (24)	2.0	3.1	3.1	3.2	3.3
Appropriation to the Reserve Fund (25)	-	-	-	-	-
Appropriation to the Budget Stabilization Fund (26)	-	-	-	-	-
Net - Other Additions and Deletions (27)	80.6	53.1	46.2	38.8	37.1
Total Expenditures	\$ 7,903.3	\$ 8,147.2	\$ 8,150.9	\$ 8,249.8	\$ 8,433.0
<i>Expenditure Growth %</i>	<i>6.1%</i>	<i>3.1%</i>	<i>0.0%</i>	<i>1.2%</i>	<i>2.2%</i>
<i>Expenditure Growth \$</i>	<i>457.3</i>	<i>243.9</i>	<i>3.7</i>	<i>98.9</i>	<i>183.2</i>
REVENUES OVER (BELOW) EXPENDITURES (28)	\$ -	\$ (68.2)	\$ 234.1	\$ 381.2	\$ 544.4
<i>Incremental Increase \$</i>	<i>-</i>	<i>(68.2)</i>	<i>302.3</i>	<i>147.1</i>	<i>163.2</i>

2023-24 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES

REVENUE:

(1) General Fund (GF) Base: The revenue base for each year represents the prior year's estimated revenues. Each year's Total Revenue incorporates revised estimates for prior year receipts, adds revenue growth, and subtracts revenue reductions to the GF Base.

(2) Total City revenue growth for outgoing years is estimated between 1.2 and 4.4 percent. Unless otherwise noted, individual revenue sources reflect continuing growth in fiscal years 2024-25 through 2027-28 based on historical average receipts. The amounts represent projected incremental change to the base. The revenue growth amounts deduct one-time receipts from the estimated revenue growth for the following fiscal year.

(3) Property Related Taxes include all property tax revenues, Documentary Transfer Tax, Residential Development Tax, and the redirection of ex-CRA tax increment monies. Assessed Value growth in property tax is projected at 6.0 percent for 2023-24 based on assumptions for the full two percent inflationary adjustment to secured receipts; average growth in unsecured and miscellaneous receipts; and decreasing supplemental receipts. The 2024-25 and outgoing years assume growth based on historical receipts.

Documentary Transfer is a volatile revenue in particular when sales volume and price move together. The 2023-24 revenue is based on real estate industry forecasts for slowing price declines and a recovery in sales activity. Outgoing years assumes higher growth as real estate market both components recover.

The Residential Development Tax is correlated with building permit activity. The 2023-24 revenue is based on average annual revenue, while permitting activity is assumed to remain stable in outgoing years.

Ex-CRA tax increment revenue growth is irregular. The estimate for 2023-24 reflects the adopted payment schedule (ROPS) and assumptions based on prior disbursements. Additional one-time miscellaneous revenue from surplus property sales are included in the 2023-24 estimate. Growth in subsequent fiscal years align with property tax growth assumptions.

(4) Business tax estimates for 2023-24 include the average growth in non-cannabis renewal activity. As total business tax receipts from cannabis and non-cannabis activity have mirrored sales tax receipts, similar growth assumptions as sales tax are used for outgoing years.

Sales tax revenue estimates reflect recovery in 2024-25 and 2025-26, with subsequent years returning to the pre-pandemic trend.

(5) Electricity users tax revenue is based on estimates provided by the Department of Water and Power. 2023-24 and outgoing years assume average growth.

Gas users tax estimate is based on the U.S. Energy Information Administration is forecast for a decline in natural gas pricing and modest increase in demand. Average growth is assumed for outgoing years.

The communication users tax revenue continues to decline with strategic wireless plan pricing and decreased landline use. The average decline is assumed for 2023-24 revenue and outgoing years.

(6) The projected revenue growth in departmental receipts inclusive of License, Permits, Fees, and Fines are dependent on policy decisions to increase departmental fees, collect full overhead cost reimbursements on special funds with sufficient capacity to do so, and increase reimbursements for those funds that have historically received a General Fund subsidy. The 2023-24 estimates are based on updated Cost Allocation Plan rates and vacancy, salary, and service level assumptions with higher growth assumptions that are mainly due to special fund and collection of prior year LACMTA reimbursements. Outgoing years assume average growth for ongoing receipts.

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(7) Transient occupancy tax revenue from hotels and short-term rentals from 2022-23 through 2023-24 are based on the tourism industry forecast that reflect a return to pre-pandemic levels driven by a resurgence of international visitors. The industry forecast predicts slowing growth for 2025-26 and outgoing years.

Parking Occupancy tax assumes high growth in 2022-23 through 2023-24 receipts to reflect a return to pre-pandemic levels following an extended period of business and event closures and restrictions. 2025-26 and outgoing years assume historical growth.

The Power Revenue transfer amount for 2023-24 is based on the estimate included in the proposed budget for the Department of Water and Power, which is derived from assumptions for estimated 2022-23 Power System revenue. The final transfer amount may be adjusted to conform to actual 2022-23 power system revenue in accordance with audited financial statements. Outgoing years assume an average of amounts transferred since a transfer limit was established.

Grant revenue for 2023-24 is based on anticipated grant receipts and average growth is assumed for outgoing years. Additional receipts from the Federal Emergency Management Agency (FEMA) for reimbursement of pandemic-response costs are assumed through 2025-26.

(8) Revenue from the Special Parking Revenue Fund represents the projected surplus that may be available to transfer to the General Fund after accounting for debt service and other expenditures associated with the maintenance, upgrades, and repairs of parking structures, meters, and related assets. The annual base-level surplus is \$23.5 million. Any amounts above this are considered one-time receipts and deducted from the estimated revenue growth for the following fiscal year. The transfer in 2022-23 was budgeted at \$6.9 million and the 2023-24 Budget assumes a **\$8.9** million surplus available for transfer. Subsequent years assume the base transfer amount of \$23.5 million.

(9) Consistent with the City's Budget Stabilization Fund (BSF) Policy, the Outlook does not include any transfers from the BSF.

(10) The transfer from the Reserve Fund in 2023-24 is \$136.4 million, which is \$119.7 million more than the 2022-23 amount. The Outlook does not assume any transfers in subsequent years.

ESTIMATED GENERAL FUND EXPENDITURES:

(11) General Fund Base: The General Fund base carries over all estimated General Fund expenditures from the prior year to the following fiscal year.

(12) Incremental changes to the Base: The 2023-24 amount reflects funding adjustments to the prior fiscal year General Fund budget. The expenditures included for subsequent years represent major expenses known at this time and are subject to change.

(13) Employee Compensation Adjustments: The 2023-24 amount includes employee compensation adjustments consistent with existing labor agreements, as amended, the restoration of one-time salary reductions from the prior year, and all other required salary adjustments. Fiscal years 2024-25 through 2027-28 reflect restoration of one-time salary reductions from the prior year, full-funding for partially financed positions, and adjustments in existing labor agreements. The Outlook does not include projections for future compensation adjustments from future labor agreements, although it does include a two percent annual increase to account for natural salary growth. Most current agreements expire in 2022-23 or 2023-24.

**2023-24 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES**

(14) City Employees' Retirement System (LACERS) and Fire and Police Pensions (LAFPP): The contribution rates are based on information that the systems' actuary calculated and includes the employee compensation adjustment assumptions above. In 2020, the board of commissioners for LACERS and LAFPP adopted economic and demographic assumption changes, including reducing the assumed investment rate of return from 7.25 percent to 7.00 percent. The contribution rates below include the adopted assumption changes. The boards of commissioners for LACERS and LAFPP are expected to reconsider both economic and demographic assumptions that may propose further reductions to the assumed investment rate of return by the summer of 2023. The impacts of future assumption changes on the City contribution to LACERS and LAFPP are not included in this Outlook.

Assumptions	2023-24	2024-25	2025-26	2026-27	2027-28
LACERS					
6/30 th Investment Returns	7.00%	7.00%	7.00%	7.00%	7.00%
Combined Contribution Rate	33.15%	33.58%	32.07%	32.96%	33.21%
LAFPP					
6/30 th Investment Returns	7.00%	7.00%	7.00%	7.00%	7.00%
Combined Contribution Rate	40.63%	39.38%	31.66%	31.10%	30.82%

(15) Workers' Compensation Benefits: The projection reflects an April 2023 actuarial analysis. They reflect the impact of both current and projected future COVID-19 claims.

(16) Health, Dental, and Other Benefits: The projection incorporates all known cost-sharing provisions adopted into labor agreements for the civilian and sworn populations. It assumes that net enrollment will increase an average of one percent for the civilian and sworn populations. Benefit rate increase assumptions are consistent with historical trends.

(17) Debt Service: The debt service amounts include known future payments from the Capital Finance budget. The final debt service payment on all MICLA Los Angeles Convention Center Bonds in the amount of \$16.6 million occurred in 2022-23. In addition, the Adopted Budget assumed a projected payment in 2022-23 of \$34.1 million in anticipation of the potential annual debt service payments associated with the Los Angeles Convention Center Expansion Project. No debt was issued for this purpose in 2022-23. The 2023-24 Proposed Budget and projected debt service amounts in 2024-25 to 2027-28 do not include costs associated with major construction projects including the Los Angeles Convention Center Expansion Project and Civic Center Master Plan. As a result, the 2023-24 debt service reflects a \$50.8 million decrease from the 2022-23 Adopted Budget.

(18) Resolution Authorities: The deletion line reflects the practice of annually deleting resolution authority positions, which must be authorized each year through a Council resolution. The "Add New and Continued Resolution Authorities" line reflects the continued or new resolution positions included in the 2023-24 Budget.

(19) One-time Costs: The deletion line reflects the practice of deleting programs and costs that are limited-term and temporary in nature each year. The "Add One-Time Costs" line reflects the continued and new one-time costs included in the 2023-24 Budget. The Outlook deletes funding for all one-year projects in 2024-25 and retains the remaining balance for multiyear projects that will not become part of the General Fund base. To the extent that there are budget decisions to continue one-time programs in future years, expenditures would be higher than the reported projections.

(20) Comprehensive Homeless Strategy: This amount represents an increase of \$273.9 million from the General Fund appropriation for homelessness-related services and expenditures within the context of the City's Comprehensive Homeless Strategy. The 2024-25 amount deletes one-time 2023-24 expenditures.

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(21) Unappropriated Balance (UB): The significant reduction in 2023-24 reflects the deletion of one-time UB items budgeted in 2022-23, including the funds set aside for the allocation of FEMA reimbursements and Department Payroll Reconciliation. To the extent that the new programs are continued in the 2023-24 Budget, the funding for those programs and positions is included in the “Add New and Continued Resolution Authorities” line or “Net – Other Additions and Deletions” line. The 2024-25 amount eliminates one-time UB items included in 2023-24 and continues ongoing ones. The significant reduction in 2026-27 reflects a reduction in anticipated FEMA grant receipts. The Outlook assumes the City will use anticipated FEMA grant receipts through 2026-27 to repay Reserve Fund and special fund loans, special fund FEMA reimbursed expenditures, and special fund COVID expenditures that are not FEMA eligible.

(22) CTIEP – Municipal Facilities and Physical Plant: The CTIEP is the Capital and Technology Improvement Expenditure Program. The 2023-24 Budget includes a decrease in funding from the General Fund of \$2.4 million for physical plant related capital projects and an increase of \$16.1 million for municipal facilities. The 2024-25 amount deletes funding for one-year projects. The Outlook assumes increased funding in future years to meet the policy spending level of 1.5 percent of General Fund revenue for capital and technology projects.

(23) CTIEP – Sidewalk: Pursuant to the settlement in the case of *Willits v. City of Los Angeles*, the City is responsible for investing \$31 million annually for sidewalk improvements through 2047, with adjustments of 15.3 percent every five years to account for inflation and material price increases. The 2023-24 increase of \$11.7 million will increase the General Fund appropriation to \$29.6 million annually, with the balance of the required investment covered by other sources of funds. The 2027-28 increase of \$5.5 million reflects the required adjustment to the minimum obligation.

(24) CTIEP – Pavement Preservation Program: The Pavement Preservation Program increase of \$2.0 million in 2023-24. Future years assume that the General Fund will bear cost increases to maintain service levels that exceed the capacity of special funds.

(25) Appropriation to the Reserve Fund: There is no appropriation to the Reserve Fund in 2023-24 or in subsequent years.

(26) Appropriation to the Budget Stabilization Fund: **Consistent** with the BSF Policy, the 2023-24 Budget includes a direct transfer to the BSF of \$2.1 million rather than an appropriation to the Fund. Based on revenue projections, the Policy will not trigger a contribution in subsequent years.

(27) Net – Other Additions and Deletions: The 2023-24 amount includes the restoration of one-time reductions and efficiencies, ongoing changes, and new regular positions added to the base budget. Among the significant increases are a net increase of **785** regular authority positions, increased appropriations to Recreation and Parks the Library, and increased expenditures for hotel development incentive agreements. The remaining balance reflects new and increased ongoing costs to a variety of departmental programs. Subsequent years include projected expenditures for the restoration of one-time expenditure reductions, hotel development incentive agreements, the recycling incentives program, Police vehicles, and increased appropriations to Recreation and Parks and the Library.

(28) Revenues Over (Below) Expenditures: The amount reflects the difference between the projected revenues and expenditures in each of the years, with positive number reflecting higher projected revenues than expenditures and negative numbers reflecting higher projected expenditures than revenues.