

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

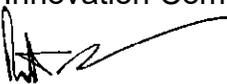
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Council District: ALL

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: **THIRD (MID-YEAR) FINANCIAL STATUS REPORT**

SUMMARY

This Office is transmitting the Third (Mid-Year) 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, revenue trends for 2023-24, and a discussion on issues of concern that may impact the City's finances.

Half-way through 2023-24, the City is experiencing significant financial challenges comprised of high levels of overspending and revenue shortfalls that are likely to be unrecoverable. As detailed in this report, the City's overspending level stands at \$288.56 million with the potential for this amount to increase as a result of the forthcoming impacts of tentative agreements with the City's employee unions which will increase staff costs. Furthermore, even as the City has implemented a Prioritized Critical Hiring (PCH) Process as a strategy to manage expenditures and generate salary savings by limiting hiring to positions that meet prioritized criteria, the combined impact of substantial overspending and below plan revenues will require the use of the Reserve Fund to rebalance the 2023-24 Budget and likely cause it to drop below the five percent policy minimum.

These financial challenges have the potential to hamper the City's service delivery over the next several years as they have arrived during a time of below-average revenue growth. General Fund revenues through January are \$187.0 million below plan and we do not expect that many of these receipts will be recoverable later in the fiscal year. The revenue outlook going into next fiscal year also seems dim as we continue to identify downside risk to many economically sensitive revenues due to the Federal Reserve's ongoing battle against inflation. It is, however, still too early in the year to accurately project year-end revenue. Nevertheless, it is not too early to recognize that the City cannot depend on revenue growth to address this year's overspending or the obligatory cost increases for the following fiscal year. Just as the PCH Process this year was enacted to help generate savings, the City will need to rely on expenditure reductions next year to mitigate the obligatory cost increases. The 2024-25 Budget will require the Mayor and City Council to consider:

- The elimination of up to 2,000 vacant positions at an annual value of \$150 million to \$200 million, which could include priority positions including non-sworn public safety positions, as the Mayor and Council requested in C.F. 23-0600-S115;
- Deep cuts in departmental expense accounts, including those used for contractual services, overtime, and as-needed salaries;
- Reducing critical capital and infrastructure spending, possibly below the 1.5 percent policy target;
- Seeking fee increases to achieve full cost recovery for City services; and,
- Re-examining or revisiting other prior and ongoing funding commitments.

In the Second FSR, we identified \$296.85 million in General Fund expenditures above plan in the current year. After accounting for recommendations in the Second FSR and other fund transfers, the newly identified over-expenditure amount is now \$288.56 million. Driving the over-expenditures are the Fire Department (\$51.5 million), Police Department (\$105.3 million), and the Liability Claims Account (\$91.6 million). These three categories account for 86 percent of the currently identified overspending. Of these three overspending categories, the Liability Claims Account will result in the most significant impact as approved and pending liability payouts are nearing \$200 million for the year, or double the budgeted amount. The Liability Claims Account status is further detailed in the Status of Non-Departmental Funds and Special Accounts section of this report, and is also highlighted as an issue of concern. The other issues highlighted in this report pertain to employee union negotiations and the anticipated softening of the City's fiscal position in 2024-25.

In this report we recommend \$168.67 million in solutions to partially pay for the projected budget gap of \$288.56 million, which includes a transfer for \$86.63 million from the Reserve Fund, and identify \$31.83 million in potential future actions to further pay down the remaining year-end overspending to \$88.06 million. The continued increase in overspending through this fiscal year and the magnitude of the remaining budget gap underscores the need for departments to absorb or manage remaining costs within existing funds to the greatest extent possible. This includes absorbing impacts from the approved and tentative agreements with the City's employee unions, should those changes be incorporated into the payroll system in the current fiscal year. Absent these actions the City will need to continue to use the Reserve Fund and reduce our once healthy reserves further, putting the City in a precarious position in advance of what we expect will be a very challenging fiscal year.

The Reserve Fund balance is \$492.03 million or 6.22 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, as we explain below, we believe that there is a significant risk that the Reserve Fund will end the fiscal year below the policy minimum of five percent of General Fund revenues. We therefore strongly recommend against any

transfer from the Reserve Fund not related to unanticipated emergencies or essential budget balancing.

We are reporting that General Fund revenue has fallen short of our budget plan through January by \$187.0 million. We are also projecting \$88.06 million in overspending that we cannot cover using existing appropriations. The Reserve Fund, at 6.22 percent, exceeds the five percent policy minimum by approximately \$96.86 million. The City will have to address any year-end revenue shortfall that remains and any overspending that we cannot otherwise pay for by drawing down the Reserve Fund. Therefore, if the overspending projections and revenues below plan are not resolved by the end of the fiscal year, the Reserve Fund balance will drop below the City's five percent policy target for only the second time in the last ten years, with the other occasion being during the Covid-19 pandemic in 2020-21. In addition, the Reserve Fund will not be available as an option to mitigate the increased spending obligations or likely softening revenues that the City will have to address to balance the 2024-25 Budget.

General Fund Revenue

Attachment 1 – 2023-24 Adopted General Fund Revenue

Key Findings/Recommendations

- *Issues with the transition to an upgraded tax recording system have resulted in the late recording of City-assessed taxes, including business, utility users, transient occupancy and parking occupancy taxes, in the City's Financial Management System (FMS).*
- *Adjusted 2023-24 revenue through January is \$3.63 billion, which is \$187.0 million below the adopted plan. Excluding \$57.4 million in interest earnings and the \$136.4 million transfer from the Reserve Fund, receipts to date are \$3.44 billion, which is 2.3 percent below General Fund receipts of \$3.52 billion this time last year.*
- *Documentary transfer tax continues to fall below planned receipts due to the multiplying impact of declining sales volume and decreasing home prices attributed to increased mortgage rates.*
- *Shortfalls continue to be seen in sales, business, and transient occupancy taxes indicating weakness in the economy outside the real estate market.*
- *The Controller's Office Revenue Forecast for Fiscal Years 2024-2025 estimates current-year revenue will end \$160.0 million (2.0 percent) below budget.*

2023-24 Adopted Revenue

The 2023-24 Adopted Budget assumes \$7.90 billion in total General Fund revenue, including a \$136.4 million transfer from the Reserve Fund. Adjusted revenue through January is \$3.63 billion, which is \$187.0 million (4.9 percent) below plan of \$3.82 billion. Adjusted General Fund revenue is

also 2.3 percent below receipts for the same period last year, excluding amounts transferred from the Reserve Fund and interest earnings. Adjusted receipts include estimates for City-assessed tax receipts based on available LATax data that were not recorded in FMS before January's financial closing date. The LATax system is transitioning to cloud storage which has resulted in delays in the recording of tax transaction data in both FMS and LATax, preventing a complete analysis of February receipts.

Current shortfalls in economy-sensitive revenues and the decline in year-over-year receipts highlight downside risks to year-end revenue. With less than four months remaining in the fiscal year, we do not anticipate that revenues with larger shortfalls will recover sufficiently to offset year-to-date losses. Shortfalls across many of the City's economically sensitive taxes raise particular concern. Documentary transfer tax receipts are down (currently \$29.3 million below the January plan) from the combined fall in real estate sales volume and prices. Sales tax and non cannabis-related business taxes are both short of planned assumptions (\$29.1 million and \$35.9 million for January respectively), with receipts below levels of the prior fiscal year. While lagging LATax data may partly explain the business tax shortfall, the sales tax shortfall can be attributed to flagging consumer spending under inflation and extended strikes. The shortfall in hotel transient occupancy tax has also increased to \$14.9 million in January, partly due to the unmaterialized rebound of lucrative Chinese tourism. Cannabis-related business taxes and gas user tax receipts are also below plan (\$3.9 million and \$6.9 million, respectively) and below prior-year receipts due to declining demand and pricing in their specific markets.

While there may not be a single cause for the observed variances in City receipts, the successive Federal Reserve rate increases were intended to slow the economy and anticipated to limit economic growth and job creation for the first half of calendar year 2024 as well. Consequently, Los Angeles County's seasonally adjusted unemployment rate has increased to 5.4 percent in February 2024 from 5.2 percent in December 2023 and 5.0 percent in January 2024. Meanwhile, after several months of declining inflation, the consumer price index has increased for the past two months to 3.2 percent above February 2023 prices, which may forestall and reduce the number of interest rate cuts by Federal Reserve in 2024.

While economists surveyed by the Wall Street Journal in January reduced the probability of a recession in the next twelve months to 39 percent (from 48 percent in October), they anticipate a slowing economy with only 1 percent growth in gross domestic product and falling job growth for the 2024 calendar year. This consensus, alongside industry and revenue-specific forecasts and the downside trends seen in many City receipts point to a sizeable year-end shortfall in City receipts and lower-than-average growth in the following fiscal year. Accordingly, the Controller's Office Revenue Forecast for Fiscal Years 2024—2025 estimates current year revenue will end \$160.0 million (2.0 percent) below the adopted budget. This is consistent with trends forecast for statewide receipts by the California Legislative Analyst's Office.

See the discussion below and Attachment 1 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 January
(Figures Shown in Millions of Dollars)

	Adopted Budget	Monthly Plan	Monthly Receipts	Receipts as % of Budget	Variance
Property Tax	\$2,640.3	\$1,411.5	\$1,410.3	53.4%	(\$1.2)
Ex-CRA Tax Increment	143.7	53.0	47.0	0	(6.0)
Departmental receipts	1,363.3	643.3	575.9	42.2%	(67.3)
Business Tax	847.2	164.0	128.1	15.1%	(35.9)
Sales Tax	724.2	426.9	397.8	54.9%	(29.1)
Utility Users' Tax	650.5	388.7	395.0	60.7%	6.3
Transient Occupancy Tax	342.4	199.6	184.7	53.9%	(14.9)
Power Revenue Transfer	236.5	-	-	-	-
Documentary Transfer Tax	198.6	120.3	91.0	45.8%	(29.3)
Franchise Income	137.8	63.3	63.9	46.3%	0.6
Transfer from Reserve Fund	136.4	136.4	136.4	100.0%	-
Parking Occupancy Tax	129.2	75.6	75.6	58.5%	(0.0)
Parking Fines	115.0	67.7	62.8	54.6%	(4.9)
Grant Receipts	109.2	7.4	6.4	5.8%	(1.1)
Interest Income	77.0	61.0	57.4	74.5%	(3.6)
Special Parking Revenue Transfer	32.4	-	-	-	-
Tobacco Settlement	10.7	-	-	-	-
Residential Development Tax	4.9	2.9	2.5	50.2%	(0.4)
State Motor Vehicle License Fees	4.0	-	-	-	-
Total General Fund	\$7,903.3	\$3,821.6	\$3,634.7	46.0%	(\$187.0)

Property taxes and former CRA tax increment: Net property tax receipts through January are \$1.2 million behind plan primarily due to larger shortfalls in secured (\$5.9 million) and supplemental property taxes (\$2.3 million), which are offset by net positive variances in other receipts. The January secured shortfall can be attributed to the timing of the prior property tax period remittances that occur over two City fiscal years, while the supplemental shortfall is due to declining real estate sales volume and prices.

Of greater concern is the shortfall in net property tax receipts through February (\$10.6 million), which is not reflected in the table above or in the attachment. The secured shortfall has increased to \$12.2 million, reflecting lower payments received for the new property tax year. These delinquent payments may be recovered in the current or following fiscal years. Increasing delinquencies combined with the growing supplemental shortfall (\$3.5 million) and higher-than-planned refund activity and negative adjustments (\$1.4 million), however, indicate risk to valuations in some property segments. Offsetting these and other shortfalls (net \$0.3 million) are higher vehicle license fee replacement revenue, unsecured taxes and miscellaneous receipts (\$1.7 million, \$2.4 million and \$2.7 million respectively). The County Assessor's forecasted growth for the City's assessed value for the new tax period (beginning December 2023 for secured receipts) is 5.9 percent

compared to 5.3 percent assumed in the adopted budget, but actual growth in total property tax may be lower as a result of delinquent payments.

January's property tax increment receipts from project areas of the former Community Redevelopment Agency are \$6.0 million below plan, which can be attributed to the same declining trends in real estate sales volume and prices that have impacted property tax supplemental receipts.

Departmental receipts: Departmental receipts through January, which include license, permits, fees, fines, and various reimbursements, total \$575.9 million, which is \$67.3 million below the adopted plan. The shortfall can be primarily attributed to delayed reimbursements for LAPD services provided to MTA in the absence of a contract extension (\$112.7 million) and late remittances for services to proprietary departments (\$9.5 million). Offsetting these shortfalls are earlier remittances of General Fund related costs and other reimbursements (\$4.1 million), receipt of prior-year Racial and Identity Profiling and other state mandated police reimbursements (\$17.5 million), additional Public Provider Ground Emergency Medical Transport Intergovernmental Transfer Program (PP-GEMT) revenue (\$28.3 million), and reimbursements from other agencies for Project Roomkey costs (\$5.0 million). For receipts not included in the adopted revenue budget, approximately \$15.0 million for Project Roomkey and Destination Crenshaw will require appropriations to the operating budget, while the \$28.3 million in PP-GEMT revenue will be needed to repay the associated reserve fund loan and participation payments due to the State. Using these funds as described and additional appropriations of unanticipated receipts would increase the reported shortfall in departmental receipts by an equivalent amount.

Business tax: Adjusted net business tax receipts are \$35.9 million below plan based on available data from the LATax system. Receipts from non-cannabis activity is \$32.0 million below plan which includes the first month of the 2024 business tax renewal period. However, non-cannabis receipts through January typically represent only 10 percent to 15 percent of total annual receipts in this category. Receipts for cannabis activity is \$3.9 million below plan. This decline is consistent with statewide trends. Due to the downside trends in both categories, year-end receipts are anticipated to end below budget.

Sales tax: Sales tax is \$29.1 million below planned receipts through January and 5.6 percent below receipts through January in 2022-23. The February shortfall, not reflected in the table above or the attachment, has increased to \$32.3 million, which 6.0 percent below prior year receipts. Sales tax is one of the City's more economy-sensitive revenues. The decline can be attributed to the lingering impact of local strikes, the increase in unemployment, the continued erosion of consumer purchasing power by inflation, and the high interest rates restraining hiring and investment. We anticipate that year-end receipts will be below budget.

Utility users tax: Adjusted receipts through January are \$6.3 million above plan, which includes an estimated \$32.5 million in tax payments from major telecom and gas utility companies recorded in LATax, but not yet reflected as receipts in FMS. Excess electric users tax (EUT) and communication users tax (CUT) receipts of \$13.1 million and \$0.1 million, respectively, are offsetting a \$6.9 million shortfall in gas users tax.

Transient occupancy tax (TOT): Adjusted TOT receipts through January are \$14.9 million below plan, which includes an estimated \$47.8 million in hotel and short-term rental tax payments recorded in LATax, but not yet reflected as receipts in FMS. The shortfall is due to lower-than-assumed growth in hotel activity. Budgeted hotel growth, based on industry forecasts, assumed increasing international tourism from China which had previously been constrained by its extended pandemic-era travel restrictions. International tourism has been lower, partly due to the stalling of the post-pandemic economic recovery in China, with year-to-date receipts from hotel activity only 2.1 percent above receipts for the same period in 2022-23. Receipts from short-term rental activity, which assumed lower growth due to constraints of the Home Sharing Ordinance is near plan. Year-end receipts are anticipated to end below budget.

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.

Documentary transfer tax: Receipts through January are \$29.3 million below plan due to a larger decline in annual sales and prices than assumed in the adopted budget (based on the number of deeds recorded and the average revenue per deed). February receipts, not reflected in the above table or the attachment, are \$30.2 million below plan. When sales volume and price components decline (or grow) in tandem, there are greater changes in monthly receipts. The decline to both sales and prices are a consequence of the increase in the average mortgage interest rate (7.50 percent) relative to the January 2021 low of 2.65 percent. With the market still adjusting to the higher purchasing costs, the California Association of Realtors' revised its forecast for a greater decline in sales than assumed in the adopted budget. Year-end receipts are anticipated to end below budget.

Franchise income: Net franchise receipts through January are near plan, primarily due to higher natural gas franchise revenue (\$4.7 million) offsetting shortfalls in cable and solid waste franchise fees (\$1.5 million and \$2.8 million, respectively). 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: Adjusted parking occupancy tax revenue through January is near plan after accounting for estimated receipts recorded in LATax, but not yet reflected in FMS. January parking fine receipts are \$5.0 million below plan and the Department of Transportation anticipates year-end receipts will end below the adopted budget.

Grant receipts: Grant revenue through January is \$6.4 million, which is approximately \$1.1 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 \$288.56 million in projected overspending and unfunded items across various departments and funds.*
- *The recommendations in this FSR address \$169.95 million of this overspending leaving \$118.61 million to be addressed. This Office has identified anticipated future actions that would offset an additional \$31.24 million, reducing year-end overspending to \$87.37 million.*

Based on expenditure data through the end of December 2023, this Office has identified \$288.56 million in projected overspending and unfunded items across various departments and funds. This amount is largely due to overspending in the City Attorney (\$9.41 million), Fire (\$51.54 million), General Services (\$11.40 million), and Police (\$105.29 million) departments, and the Liability Claims Account (\$91.57 million). Most departments reported year-end surpluses due to salary savings and vacancies.

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

- Projected overspending of \$9.41 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 \$51.54 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, unbudgeted contract obligations, increased fleet maintenance and repair costs, and increased medical and rescue supply costs.
- Projected overspending of \$11.40 million in the General Services Department primarily due to increased fuel and energy costs, and increased fleet maintenance costs.
- Projected overspending of \$105.29 million in the Police Department 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.
- Projected overspending of \$91.57 million in the Liability Claims Fund due to approved and pending liability payouts.

(See Table 2 on the next page)

Table 2. Mid-Year FSR Projected Overspending/Unfunded Expenditures (in Millions)				
Departmental and Non-Departmental Overspending				
Department	Second FSR	Change	Mid-Year FSR	Reason
City Administrative Officer	\$ 3.00	\$ (1.73)	\$ 1.27	Overspending decrease due to revised contract expenditures partially offset by new overspending associated with Unarmed Model of Crisis Response contract costs.
City Attorney	14.80	(5.39)	9.41	Overspending decrease is due to the recommendations of the Second FSR, partially offset by increased litigation expenses.
Community Investment for Families	0.45	(0.45)	-	Overspending was resolved by the recommendations of the Second FSR.
Fire	37.34	14.20	51.54	Overspending increase is primarily due to lower than anticipated sworn attrition, increased contract expenditures and the increased cost of firefighting supplies, equipment, and automotive parts.
General Services	37.81	(26.41)	11.40	Overspending decrease is due to the recommendations of the Second FSR and lower than anticipated petroleum and field equipment expenditures.
Housing	1.68	(1.68)	-	Overspending decrease is due to the identification of prior-year HOME funds to cover administrative expenses and additional salary expenditures eligible for Community Development Block Grant funding.
Police	136.48	(31.19)	105.29	Overspending decrease is due to delays in hiring and reduced sworn hiring and overtime projections.
Transportation	-	4.69	4.69	New overspending is primarily due to the one-time cash payout to Coalition members that the Department states is not eligible for special funding, increased security costs at the Department's facilities and increased staff overtime.
Non-Departmental				
General City Purposes	5.40	1.96	7.36	Overspending increase is primarily due to increased Medicare Contributions due to actual growth in average wages.
Human Resources Benefits	1.02	5.01	6.03	Overspending increase is primarily due to increased Workers' Compensation/Rehabilitation spending associated with higher than assumed benefit payments and liens and increased civilian enrollment in the Civilian Flex Program.
Liability Claims	46.52	45.05	91.57	Overspending increase is based on approved and pending liability payouts.
American Rescue Plan Act (ARPA)	1.35	(1.35)	-	Overspending was resolved by the identification of existing appropriations that can support ARPA consultant services costs.
Human Resources and Payroll (HRP) Project	11.00	(11.00)	-	Overspending was resolved by a transfer from the Reserve Fund recommended in C.F. 20-0313-S10.
Total Year-End Overspending	\$ 296.85	\$ (8.29)	\$ 288.56	

Current Year Budget Balancing

As noted in Table 3 below, the recommendations in this report are expected to pay for the year-end overspending from \$288.56 million to \$118.61 million. This Office has identified potential future actions totaling \$31.24 million, which could further pay down the remaining year-end overspending to \$87.37 million. To the extent possible, departments will be required to absorb or manage remaining costs within existing funds. Absent these actions, an additional Reserve Fund appropriation will be required.

(See Table 3 on the next page)

Table 3. 2023-24 Budget Balancing Solutions		
Mid-Year FSR Overspending	\$ (288.56)	
Mid-Year FSR Recommendations		
UB - Unarmed Crisis Response	\$ 1.27	Transfer to the City Administrative Officer to address Unarmed Model of Crisis Response contract overspending.
UB - Reserve for Mid-Year Adjustments*	2.50	Transfer to the City Attorney to partially address Litigation overspending.
UB - Reserve for Mid-Year Adjustments*	3.84	Transfer to the City Attorney to partially address Outside Counsel overspending.
UB - Reserve for Mid-Year Adjustments*	2.00	Transfer to the General Services Department to partially address Field Equipment Expense overspending.
UB - Reserve for Mid-Year Adjustments*	3.00	Transfer to the General Services Department to partially address Petroleum Products overspending.
UB - Police Department Hiring and Overtime	9.94	Transfer to the Police Department to partially address salaries sworn overspending.
UB - Police Department Hiring Bonus	3.65	Transfer to the Police Department to partially address salaries sworn overspending.
UB - Department Payroll Reconciliation	46.42	Transfer to the Police Department to partially address salaries sworn and overtime sworn overspending.
UB - Department Payroll Reconciliation	4.23	Transfer to the General City Purposes Fund to address Medicare Contributions, Social Security Contributions, and Pension Savings Plan overspending.
UB - Reserve for Mid-Year Adjustments*	1.53	Transfer to the General City Purposes Fund to address overspending associated with delayed contractual agreements.
UB - Reserve for Mid-Year Adjustments*	91.57	Transfer to the Liability Claims Fund to address liability payout overspending.
Subtotal	\$ 169.95	
Potential Future Actions		
UB - Department Payroll Reconciliation	22.41	Transfer to partially address Citywide overspending.
UB - After-Action Implementation Plan	8.83	Transfer to partially address the Police Department's overspending.
Subtotal	\$ 31.24	
Year-End Overspending	\$ (87.37)	

*Transfers from the UB, Reserve for Mid-Year Adjustments Account is supported by transfers from the Reserve Fund (\$86.63 million) and savings from other funds and accounts (\$13.85 million).

City Reserves

Key Findings/Recommendations

- *The recommendations in this report and an anticipated transfer to cover future overspending related to the unbudgeted special election will exhaust the Unappropriated Balance, Reserve for Mid-Year Adjustments account.*
- *After accounting for transactions approved since July 1 and the recommendations in this report, the Reserve Fund balance is \$492.03 million, which represents 6.22 percent of the General Fund budget.*
- *If the City is not able to identify other solutions to address the overspending we detail in this report and revenues do not recover above current levels, the City’s use of the Reserve Fund during this fiscal year will reduce its balance below five percent of General Fund revenues.*
- *The City maintains General Fund reserves to help manage its risks and ensure sufficient resources to meet contingencies. The City’s reserves total \$692.50 million or 8.76 percent of the total 2023-24 General Fund revenue.*

Reserves	Balance (In Millions)	%	Purpose
UB, 2023-24 Reserve for Mid-Year Adjustments Account	\$ --	0.00%	Available to address shortfalls that may arise throughout the year.
Reserve Fund	492.03	6.22%	Preserved for the most critical needs and matters of urgent economic necessity; not to be used for ongoing expenses.
Budget Stabilization Fund	200.47	2.54%	Restricted for the maintenance of service levels during years of slow growth and declining revenue.
Total Reserves	\$ 692.50	8.76%	

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

The 2023-24 Adopted Budget included \$30 million in the UB, Reserve for Mid-Year Adjustments Account. The City should use this account prior to the other reserves to address issues that arise throughout the year. The First and Second FSRs included transfers totaling \$26.04 million from the UB, Reserve for Mid-Year Adjustments Account resulting in a balance of \$3.96 million. As of March 6, 2024, there have been no transfers from this account since the Second FSR.

This report includes recommendations to increase funding in this account by \$100.48 million through transfers from the Reserve Fund (\$86.63 million) and savings from other departments and funds (\$13.85 million). In addition, this report includes transfers totaling \$104.44 million from this account to the City Attorney (\$6.34 million), General Services Department (\$5.00 million), General City Purposes (\$1.53 million), and Liability Claims (\$91.57 million). These actions exhaust the remaining balance of the UB Reserve for Mid-Year Adjustments Account.

Reserve Fund
Recommendation No. 5
Attachment 2 – Current Status of Reserve Fund

After accounting for transactions approved since July 1 and the recommendations in this report, the Reserve Fund balance is \$492.03 million, which consists of \$217.34 million in the Emergency Reserve and \$274.69 million in the Contingency Reserve. This balance represents 6.22 percent of the General Fund budget, which is above the five percent Reserve Fund policy.

The Reserve Fund balance of \$492.03 million reflects a net reduction of approximately \$156.24 million from the July 1, 2023 balance of \$648.27 million. Among the transactions contributing to the decrease and approved since the Second FSR are \$11.00 million to fund the increased costs for the delayed implementation of the Human Resources Payroll (HRP) Project (C.F. 20-0313-S10), \$14.50 million to support the operation of the Skid Row Housing Trust properties (C.F. 23-0321-S1), \$21.35 million for the Gas Company Tower Lease (C.F. 23-0604), and \$1.41 million for cash flow purposes for various Mayor’s Office grant programs (C.F. 23-1306 and C.F. 23-1320).

The reduced Reserve Fund Balance also accounts for transfers recommended in this report to address City liabilities. Specifically, this report transfers a total of \$86.63 million to the UB, Reserve for Mid-Year Adjustments Account to address several departments’ overspending and unfunded expenditures.

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 January 30, 2024, the City has received over \$111.93 million in additional ULA revenue and this authority is therefore no longer required.

This report presents approximately \$87.37 million remaining in current-year anticipated overspending after potential future actions are exhausted and identifies General Fund revenues below plan with downside risk to several economically sensitive revenues. If the City is not able to identify other solutions to address the overspending we detail in this report and revenues do not recover above current levels, the City’s use of the Reserve Fund during this fiscal year will reduce its balance below five percent of General Fund revenues.

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 employee unions. In light of these potential uses and the significant risk of the Reserve Fund dropping below

five percent, this Office strongly recommends against any transfers from the Reserve Fund not related to unanticipated emergencies or essential budget balancing.

Budget Stabilization Fund Recommendation No. 6

To supplement the Reserve Fund, the City established the Budget Stabilization Fund (BSF) 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 current balance in the Budget Stabilization Fund is \$200.47 million.

In accordance with the City's Financial Policies, the CAO is required to calculate the average annual ongoing threshold and present it each year to the City Council and Mayor for approval prior to the release of the proposed budget for the subsequent year. If actual growth exceeds this threshold amount, the City must contribute to the Budget Stabilization Fund as part of the budget. If actual growth falls short of this amount, the City may withdraw from the Budget Stabilization Fund. The growth threshold is to be equal to the 20-year average of the actual annual growth of cumulative receipts from the seven major General Fund taxes. The CAO has completed this calculation using this methodology and has determined that the growth threshold for the 2024-25 Budget is 4.4 percent.

Including the UB, Reserve for Mid-Year Adjustments Account, the Reserve Fund, and the Budget Stabilization Fund, the City's total reserves is 8.76 percent of the 2023-24 General Fund revenue, which reflects a decrease from the previously reported 9.94 percent.

This Office recommends the following action at this time:

- Approve the Average Annual Ongoing Growth Threshold for the Budget Stabilization Fund in the 2024-25 Budget of 4.4 percent.

Issues of Concern

Key Findings/Recommendations

- *Additional internal and external factors that may have an impact on the City include costs associated with liability payouts and employee union negotiations.*
- *These expenditure pressures, a depleted Reserve Fund balance, and anemic revenue growth will soften the City's fiscal position and require substantive expenditure reduction efforts as part of the development of the 2024-25 budget.*

Status of the Liability Claims Account

The 2023-24 Adopted Budget provides \$100 million for General Fund liability payouts within the Liability Claims Account (\$80 million) and the Unappropriated Balance (UB) Reserve for Extraordinary Liability (\$20 million) to pay for both tort liability and tax-related cases. As of February 28, 2024, \$90 million of the \$100 million has been expended and an additional \$31.6 million in payouts is pending payment. This results in General Fund overspending of \$21.6 million. Furthermore, there are numerous settlement proposals and judgments that are pending Claims Board and/or Council approval (\$70.7 million) in the current fiscal year. This Office has identified a need of \$91.57 million from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to address the projected overspending for the Liability Claims Account. However, various other cases not included in these totals have the potential of being resolved in the current year through settlement or judgment. If these various other cases are resolved and approved for payment this year, additional appropriations will be needed. As such, the final payout from the Liability Claims Account for 2023-24 may exceed \$200 million. Furthermore, a number of previously approved settlements include structured payouts totaling \$36 million set for payment in 2024-25. In addition, several other proposed settlements with payments due in 2024-25 are pending approval. Therefore, the City is likely to experience overspending in 2024-25 as a result of liability payments.

Employee Union Negotiations

The City has reached Tentative Agreements with 32 of the 34 bargaining units whose Memorandum of Understanding expired in 2022 and 2023. The majority of these agreements include a 22 percent base wage increase, special pay adjustments or bonus pay provisions, and have a term ending in December 2028. Based on Citywide vacancy rates and projected salary expenditures, we continue to anticipate that departments will be able to absorb a portion of the current-year costs associated with the final approved 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. This uncertainty is further complicated by the upcoming transition of the City's payroll system. If the City can configure the terms of the agreements into its new payroll system prior to the "go-live" date, departments will need to begin managing the impact of these increases in 2023-24. However, if the configuration of the terms occurs post "go-live," the impact of these increases, including retroactive payments, will materialize in 2024-25.

2024-25 Financial Status

The challenges the City is facing in the current fiscal year and detailed in this report will continue to apply pressure on the City's financial position in 2024-25. Revenues in 2023-24 are below plan and are not expected to grow sufficiently in 2024-25 to pay for the full impact of the City's obligatory cost increases stemming from new labor agreements. Should the Reserve Fund fall below the five percent target as a result of drawing down the balance to address overspending and revenue shortfalls in 2023-24, the City will have less flexibility to address unforeseen expenditure needs including those resulting from emergency events. Thus, at the direction of the City Council and Mayor, this Office has begun reviewing vacant positions for possible elimination from the budget as one strategy to reduce costs in 2024-25. Still, even the elimination of up to 2,000 positions will not be enough to bring anticipated expenditures in 2024-25 aligned with projected revenues. Consequently, across the board reductions to department accounts are likely to be needed to

balance the 2024-25 budget which on top of positions being eliminated will severely impact department operations and their ability to meet their service delivery goals.

Budgetary Adjustments

Budgetary adjustments totaling approximately \$133.71 million are recommended in Sections 1, 2, and 7 of this report which include:

- \$22.71 million in new appropriations;
- \$57.25 million for transfers between accounts within various departments and funds;
- \$14.93 million for transfers between various departments and funds;
- \$173.86 million in appropriations from the Unappropriated Balance;
- \$252.52 million in reductions to special fund appropriations
- \$27.69 million in appropriation increases
- \$3.26 million in disencumbrances and reappropriations
- \$0.66 million in other appropriation adjustments
- \$0.5 million in MICLA reauthorizations

Attachments

- 1 2023-24 Adopted General Fund Revenue
- 2 Current Status of Reserve Fund
- 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 Prior-Year Appropriations Reductions

RECOMMENDATIONS

(Refer to Discussion Sections 1, 2, and 7)

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

1. Appropriate \$22,712,543.42 to various department and fund accounts as specified in Attachment 3;
2. Transfer \$57,248,249.20 between accounts within various departments and funds as specified in Attachment 4;
3. Transfer \$14,929,124.35 between various department and funds as specified in Attachment 5;
4. Transfer \$173,858,776.00 from the Unappropriated Balance to various departments and funds as specified in Attachment 6;
5. Transfer \$86,631,482.98 from the Reserve Fund No. 101/62 to the Unappropriated Balance Fund No. 100/58, Account 580196, Reserve for Mid-Year Adjustments for budget balancing.

Budget Stabilization Fund

6. Approve the Average Annual Ongoing Growth Threshold for the Budget Stabilization Fund in the 2024-25 Budget of 4.4 percent.

City Administrative Officer

7. Authorize the Controller to disencumber \$90,427.93 in Fiscal Year 2022-23 encumbered balances for Contract No. C-143196, Community Partners (SC 10 CO23143196M) within the City Administrative Officer Fund No. 100/10, Account No. 003040, Contractual Services, and revert \$90,427.93 to the Homeless Efforts – County Funding Agreement Fund No. 63Q/10 to be reappropriated therefrom to the City Administrative Officer Fund No. 100/10, Account No. 003040, Contractual Services.

Community Investment for Families

8. Authorize the Controller to increase appropriations in the amount of \$27,687,000 in the General City Purposes Fund 100/56, Account No. 000959, Homelessness Emergency Account, from the repayment by the Community Development Trust Fund No. 424/21 previously approved for the cash flow loan for the Mayfair Hotel acquisition (C.F. 23-0792).
9. Realign appropriations within the Community Services Block Grant Trust Fund No. 428/21 with available grant funds:
 - a. Increase appropriations in the amount of \$68,755 in Account No. 21Y121, CIFD.
 - b. Increase appropriations in the Community Investment for Families Department Fund No. 100/21 in the following accounts and amounts as follows:

Account No.	Account Name	Amount
001090	Overtime General	\$ 4,000
002120	Printing and Binding	1,000
002130	Travel	28,000
003040	Contractual Services	7,500
003310	Transportation	5,000
006010	Office and Administrative	23,255
	Total	\$ 68,755

10. Reduce appropriations in the amount of \$267,440 in the Community Development Trust Fund No. 424/21, Account No. 21W233, COVID-19 Administrative Reserve, to reflect available grant funds.

Council

11. Authorize the Controller to refund \$14,730 from Council Fund No. 100/28, Account No. 003040, Contractual Services, to the developer, Relevant Group, for funds no longer needed for the Morrison Hotel Project (C.F. 19-1364).
12. Reappropriate \$300,000.00 from the unencumbered balance remaining in General City Purposes (GCP) Fund No. 100/56, Account No. 000472, Homelessness Prevention Services/Rental Assistance-CD8 Fiscal Year 2021-22 to the current Fiscal Year 2023-24 GCP Fund No. 100/56, Acct 000472 for the purpose of encumbering contract number C-140419 Special Service for Groups, Inc.

Fire - MICLA

13. Transfer \$180,000 from Fund 298/38, MICLA, Account 38Y232, Communications Labor, to the Information Technology Agency, Fund No. 100/32, Account No. 001100, Hiring Hall Salaries, for the installation of communication equipment in Fire Department vehicles, and authorize the Controller to reimburse the General Fund upon receipt of ITA labor services invoices from MICLA.

General Services

14. Authorize the Controller to disencumber up to \$125,000 in 2022-23 funds within Fund 100, Department 40, and Account No. 003040, revert the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer the amount to the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the same fund and account in the current year to procure contractors to assist with HRP Integration and Data Services Support.
15. Authorize the Controller to disencumber up to \$20,074 in 2018-19 funds within Fund 100, Department 40, and Account No. 003090, revert the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer the amount to the amount to the Unappropriated

Balance Fund No. 100/58, and appropriate therefrom to the same fund and account in the current year to fund the repair and maintenance of the City's Fleet.

16. Authorize the Controller to disencumber up to \$281,763 in 2019-20 funds within Fund 100, Department 40, and Account No. 003090, revert the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer the amount to the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the same fund and account in the current year to fund the repair and maintenance of the City's Fleet.
17. Authorize the Controller to disencumber up to \$397,138 in 2020-21 funds within Fund 100, Department 40, and Account No. 003090, revert the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer the amount to the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the same fund and account in the current year to fund the repair and maintenance of the City's Fleet.
18. Authorize the Controller to disencumber up to \$121,000 in 2021-22 funds within Fund 100, Department 40, and Account No. 003090, revert the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer the amount to the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the same fund and account in the current year to fund the repair and maintenance of the City's Fleet.
19. Authorize the Controller to disencumber up to \$216,000 in 2022-23 funds within Fund 100, Department 40, and Account No. 003090, revert the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer the amount to the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the same fund and account in the current year to fund the repair and maintenance of the City's Fleet.
20. Authorize the Controller to disencumber up to \$2,013,488 in 2022-23 funds within Fund 100, Department 40, and Account No. 003230, revert the disencumbered amount to the Reserve Fund No. 101/62, subsequently transfer the amount to the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the same fund and account in the current year to procure fuel and fuel-related products for the City's Fleet.

Housing

21. Reduce appropriations in the amount of \$1,229.81 within the HUD Connections Grant Fund No. 47X, from Account No. 43Y143, Housing Department and decrease appropriations within Housing Department Fund No. 100/43, Account No. 001010, Salaries General.

Los Angeles Convention Center Expansion Project – MICLA

22. Authorize a total of \$500,000 in MICLA Commercial Paper Program (Los Angeles Convention Center) for additional financial advisory services related to the Los Angeles Convention Center Expansion Project.

Mayor

23. Rescind Recommendation 3A included in C.F. 22-0982 which transferred \$100,000 in appropriations from Account No. 46W970, LAPD Grant Allocation in the Fiscal Year 2021 State Homeland Security Program Grant Fund No. 66F/46 to the Police Department's Fund No. 100/70, Account No. 001092, Overtime Sworn due to a duplicate transaction included in the First FSR (C.F. 23-0600-S110).

Public Works – Board

24. Reduce 2023-24 appropriations in the amount of \$150,000 within the Sewer Operations and Maintenance Fund No. 760/50, Board of Public Works Account No. 50Y174 to align appropriations with projected spending.
25. Reduce 2023-24 appropriations in the amount of \$150,000 within the Board of Public Works Fund No. 100/74, Salaries General Account No. 001010 to align appropriations with projected spending.

Public Works – Engineering

26. Reduce 2023-24 appropriations in the amount of \$200,000 within the Special Gas Tax Improvement Fund No. 206/50, Bureau of Engineering Account No. 50Y178 to align appropriations with projected spending.
 - a. Reduce 2023-24 appropriations in the amount of \$120,000 within Bureau of Engineering Fund No. 100/78, Salaries General Account No. 001010 to align appropriations with projected spending.
 - b. Reduce 2023-24 appropriations in the amount of \$20,000 within Bureau of Engineering Fund No. 100/78, Overtime General Account No. 001090 to align appropriations with projected spending.
 - c. Reduce 2023-24 appropriations in the amount of \$50,000 within Bureau of Engineering Fund No. 100/78, Office and Administrative Account No. 006010 to align appropriations with projected spending.
 - d. Reduce 2023-24 appropriations in the amount of \$10,000 within Bureau of Engineering Fund No. 100/78, Operating Supplies Account No. 006020 to align appropriations with projected spending.
27. Reduce 2023-24 appropriations in the amount of \$150,000 within the Street Damage Restoration Fee Fund No. 41A/50, Bureau of Engineering Account No. 50Y178 to align appropriations with projected spending.
 - a. Reduce 2023-24 appropriations in the amount of \$150,000 within Bureau of Engineering Fund No. 100/78, Salaries General Account No. 001010 to align appropriations with projected spending.

28. Reduce 2023-24 appropriations in the amount of \$450,000 within the Sidewalk Repair Fund No. 57F/50, Bureau of Engineering Account No. 50Y178 to align appropriations with projected spending.
- a. Reduce 2023-24 appropriations in the amount of \$450,000 within Bureau of Engineering Fund No. 100/78, Salaries General Account No. 001010 to align appropriations with projected spending.
29. Reduce 2023-24 appropriations in the amount of \$300,000 within the Measure M Local Return Fund No. 59C/94, Bureau of Engineering Account No. 94Y178 to align appropriations with projected spending.
- a. Reduce 2023-24 appropriations in the amount of \$300,000 within Bureau of Engineering Fund No. 100/78, Salaries General Account No. 001010 to align appropriations with projected spending.
30. Reduce 2023-24 appropriations in the amount of \$7,000,000 within the Sewer Capital Fund No. 761/50, Bureau of Engineering Account No. 50Y178 to align appropriations with projected spending.
- a. Reduce 2023-24 appropriations in the amount of \$7,000,000 within Bureau of Engineering Fund No. 100/78, Salaries General Account No. 001010 to align appropriations with projected spending.

Public Works – Sanitation

31. Encumber the General City Purposes Fund No. 100/56, Account Nos. 000855 and 000856 balances appropriated for the Solid Waste Fee Lifeline Rate Program and Solid Waste Fee Reimbursement, respectively, to pay 2023-24 invoices.

Public Works – Street Lighting

32. Authorize the Controller to reduce appropriations in the total amount of \$4,258,086.28 within the Street Lighting Maintenance Assessment Fund No. 347/50 to align current-year appropriations with current-year revenues, as shown below:

Account	Account Name	Amount
50K453	LED Fixtures	\$ 0.88
50L453	LED FIXTURES	603.91
50LLPP	FLEET REPLACEMENT	170,905.44
50M453	LED Fixtures	446,212.93
50NKFP	RIVERSIDE DRIVE LIGHTING IMPROVEMENT UNIT 1 CIP/STP	217,131.50
50NLPP	Fleet Replacement	394,932.96
50PLPP	Fleet Replacement	324,568.00
50RLOO	Assessment District Analysis	12.20

50RLPD	VENTURA BL-AMIGO AVE TO CALHOUN AVE (VISION ZERO) STM/STP	12,240.40
50SLAA	High Voltage Conversion Program	807,213.93
50SLZA	Smart Nodes	73,813.64
50TLOO	Assessment District Analysis	206,000.00
50TLWB	NASA Grant Predicting What We Breathe	639,863.76
50TWSI	Watts Street Lighting Improvements-CD15	121,900.46
50VLIS	Street Lighting Improvements and Supplies	29.34
50VLPP	Fleet Replacement	3,675.00
50W184	Bureau of Street Lighting	675,367.64
50W421	Energy Conservation Assistance Loan Repayment	0.02
50WLIS	Street Lighting Improvements and Supplies	163,614.27
	Total	\$ 4,258,086.28

Public Works – Street Services

33. Reduce 2023-24 appropriations in the amount of \$7,236,694 within the Street Damage Restoration Fee Fund No 41A/50, Failed Street Reconstruction Account No. 50YC91 to align appropriations with projected spending.
34. Reduce 2023-24 appropriations in the amount of \$1,329,091 within the Street Damage Restoration Fee Fund No 41A/50, Bike Lane Repair and Maintenance Account No. 50YVGI to align appropriations with projected spending.
35. Reduce 2023-24 appropriations in the amount of \$217,659 within the Measure R Local Return Fund No. 51Q/94, Bicycle Lane Repair and Maintenance Account No. 94YM15 to align appropriations with projected spending.

Transportation

36. Reduce 2023-24 appropriations to the Department of Transportation, Fund 100/94, Account No. 94Y194 Transportation (within Account No. 001010 Salaries General) by \$1,500,000 from the Measure M Local Return Fund No. 59C/94 due to projected revenue shortfall in the Fund.
37. Reduce 2023-24 appropriations to the Bureau of Contract Administration, Fund 100/76, Account No. 94Y178 Bureau of Contract Administration (within Account No. 001010 Salaries General) by \$500,000 from the Measure M Local Return Fund No. 59C/94 due to projected revenue shortfall in the Fund.
38. Reduce 2023-24 appropriations to the General Services Department, Fund 100/40, Account No. 94Y140 General Services (within Account No. 001010 Salaries General) by \$55,983 from the Measure M Local Return Fund No. 59C/94 due to projected revenue shortfall in the Fund.

39. Reduce 2023-24 appropriations within the Measure M Local Return Fund No. 59C/94, Account No. 50Y299 Reimbursement of General Fund Costs by \$2,016,759 to account for staff vacancies.
40. Reduce 2023-24 appropriations to the Department of Transportation, Fund 100/94, Account No. 94Y194 Transportation (within Account No. 001010 Salaries General) by \$1,000,000 from the Measure R Traffic Relief and Rail Expansion Fund No. 51Q/94 due to projected revenue shortfall in the Fund.
41. Reduce 2023-24 appropriations to the General Services Department, Fund 100/40, Account No. 94Y140 General Services (within Account No. 001010 Salaries General) by \$30,163 from the Measure R Traffic Relief and Rail Expansion Fund No. 51Q/94 due to projected revenue shortfall in the Fund.
42. Reduce 2023-24 appropriations within the Measure R Traffic Relief and Rail Expansion Fund No. 51Q/94, Account No. 50Y299 Reimbursement of General Fund Costs by \$1,046,455 to account for staff vacancies.
43. Reduce 2023-24 appropriations to the Department of Transportation, Fund 100/94, Account No. 94Y194 Transportation (within Account No. 001010 Salaries General) by \$4,500,000 from the Proposition C Anti-Gridlock Transit Fund No. 540/94 due to projected revenue shortfall in the Fund.
44. Reduce 2023-24 appropriations to the Bureau of Street Lighting, Fund 100/84, Account No. 94Y184 Bureau of Street Lighting (within Account No. 001010 Salaries General) by \$200,000 from the Proposition C Anti-Gridlock Transit Fund No. 540/94 due to projected revenue shortfall in the Fund.
45. Reduce 2023-24 appropriations to the Bureau of Contract Administration, Fund 100/76, Account No. 94Y176 Bureau of Contract Administration (within Account No. 001010 Salaries General) by \$800,000 from the Proposition C Anti-Gridlock Transit Fund No. 540/94 due to projected revenue shortfall in the Fund.
46. Reduce 2023-24 appropriations to the General Services Department, Fund 100/40, Account No. 94Y140 General Services (within Account No. 001010 Salaries General) by \$10,793 from the Proposition C Anti-Gridlock Transit Fund No. 540/94 due to projected revenue shortfall in the Fund.
47. Reduce 2023-24 appropriations within the Proposition C Anti-Gridlock Transit Fund No. 540/94, Account No. 50Y299 Reimbursement of General Fund Costs by \$5,445,263 to account for staff vacancies.
48. Reduce 2023-24 appropriations to the Department of Transportation, Fund 100/94, Account No. 94Y194 Transportation (within Account No. 001010 Salaries General) by \$1,000,000

from the Proposition A Local Transit Assistance Fund No. 540/94 due to projected revenue shortfall in the Fund.

49. Reduce 2023-24 appropriations within the Proposition A Local Transit Assistance Fund No. 385/94, Account No. 50Y299 Reimbursement of General Fund Costs by \$1,021,100 to account for staff vacancies.
50. Reduce appropriations in the amount of \$18,992,451 within the Measure R Local Return Fund No. 51Q/94 as specified in Attachment 10.
51. Reduce appropriations in the amount of \$29,751,620 within the Measure M Local Return Fund No. 59C/94 as specified in Attachment 10.
52. Reduce appropriations in the amount of \$52,879,617 within the Proposition C Anti-Gridlock Transit Improvement Fund No. 340/94 as specified in Attachment 10.
53. Reduce appropriations in the amount of \$110,204,898.69 within the Proposition A Local Transit Assistance Fund No. 385/94 as specified in Attachment 10.

Technical

54. 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 \$288.56 million in projected over-expenditures are identified in the Third (Mid-Year) Financial Status Report. Transfers, appropriations, and other budgetary adjustments totaling approximately \$553.38 million are recommended in Sections 1, 2, and 7 of this report. This includes \$104.44 million in transfers from the Unappropriated Balance Reserve for Mid-Year Adjustments Account.

DEBT IMPACT STATEMENT

The issuance of MICLA for the reauthorization of the Los Angeles Convention Center Expansion project, which requires an additional \$500,000, would cause the City to borrow \$500,000 at an approximate 5.5 percent interest rate over 20 years. The total estimated debt service for the projects is \$1,105,302, including interest of approximately \$444,863. Actual interest rates may differ as rates are dependent on market conditions at the time of issuance.

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 Budgets25
 Section 2. Status of Non-Departmental Funds and Special Accounts 100
 Section 3. Status of Employment 107
 Section 4. Status of State Budget..... 107
 Section 5. Status of American Rescue Plan Act – State and Local Fiscal Recovery Funds.. 108
 Section 6. Status of MICLA Commercial Paper Programs 109
 Section 7. Status of Los Angeles Convention Center Expansion Project 110

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
Attachment 3 – New Appropriations**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.257	\$ 0.602	Projected surplus is due to staff vacancies and hiring delays. Departmental vacancy rate is 15 percent as of December 2023.
Contractual Services	5.069	0.017	Projected surplus is primarily due to the delayed implementation of the Rapid Response Senior Meals Program.
Salaries As-needed	0.260	0.007	Projected surpluses is based on prior-year and year-to-date expenditure trends.
Other Surplus Accounts	0.142	0.002	
General Fund Total	\$ 5.729	\$ 0.628	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.304	\$ -	Projected surplus is due to staff vacancies and hiring delays. Departmental vacancy rate is 15 percent as of December 2023.
Other Expense Accounts	0.081	-	Projected surpluses is based on prior-year and year-to-date expenditure trends.
Special Funds Total	\$ 0.385	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 0.411	\$ 0.375	\$ (0.036)	Projected revenue shortfall is primarily due to delays in the receipt of prior-year billings.

The projected General Fund surplus is approximately \$5.603 million higher than previously reported in the Second FSR primarily due to the delayed implementation of the Rapid Response Senior Meals Program. The projected special fund surplus is approximately \$0.266 million higher than previously reported in the Second FSR due to the receipt of various special funds and lower than anticipated expenditures.

Rapid Response Senior Meals Program

On November 7, 2023, the Council approved the Rapid Response Senior Meal Program - Program Design and Implementation (C.F. 23-0600-S40) and authorized the Department to establish a list of four pre-qualified vendors (C.F. 22-0600-S1) for the delivery of senior meals. As part of the former report, the Council instructed the Department to report on the status of the Rapid Response Senior Meals Program as part of the 2023-24 FSRs, including the expenditure plan, staffing costs, contract amounts, type of meals provided, and number of meals delivered. As of this reporting period, the Department has notified this Office that it opened its applicant portal and began food delivery service on December 18, 2023. In compliance with the Council instruction, this Office has requested an update from the Department on how many meals have been served and all expenditures to date including staffing, contractual services, and outreach costs. The Department reports that it has spent \$178,847 for food delivery through the end of January 31, 2024. Further, it has not hired staffing as authorized by C.F. 23-0600-S40 but has used existing staff to support the program. The Department plans to request substitute authorities as mentioned in the Program Design and Implementation Report, but has not begun the process as of this writing. The Department also reported that it currently has 2,319 participants enrolled in the program and that it

has begun working with Blooming Health Inc. to conduct mass outreach via phone and text to those seniors not already registered in its congregate and home-delivered meals programs.

Of the \$15 million budgeted for this program in 2023-24, \$11.05 million has been transferred to the Department's current year operating budget and \$3.95 million remains in the Unappropriated Balance. Due to the December 2023 program implementation date, we project savings of \$2.67 million in addition to the \$3.9 million remaining in the UB. In addition, in light of the lower participation rate to date compared to the 5,800 budgeted, we anticipate additional savings. This Office requested written confirmation from the Department on actual current-year savings available from this program.

This Office recommends the following transactions at this time:

- Appropriate \$582,800 in Community Development Block Grant Funds (49th Program Year) from the Senior Human Services Program Fund to the Department's operating accounts, Emergency Alert Response System (EARS), and Evidence Based programs.
- Reappropriate \$366,182 in 2022-23 in the Older Adults Recovery and Resilience (OARR) grant savings to 2023-24 and subsequently transfer \$366,182 to the Department's Salaries General Account to cover the extended grant period ending December 31, 2024.
- Transfer \$26,892 within the Supplemental Nutrition Assistance Program Education Fund and subsequently appropriate to the Department's Salaries General Account for service covering the grant period ending September 30, 2024.
- Transfer \$30,947 within the Health Insurance Counseling and Advocacy Program Fund and subsequently appropriate these grant funds to the Department's Salaries General Account for service covering the grant period ending March 31, 2024.

B. Animal Services

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.26	\$ (1.46)	Projected surplus is due to staff vacancies.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.28)	0.55	Projected overspending is due to a one-time Coalition payout and the increased use of as-needed staff to support programs in light of full-time vacancies.
Overtime General	(0.23)	0.23	Projected overspending is due to increased staff overtime to ensure services on the additional City holiday and to maintain services levels in light of full-time vacancies.
Medical Supplies	(0.19)	0.19	Projected overspending is due to the shelters operating at maximum capacity.
Office and Administrative	(0.07)	0.07	Projected overspending is due to increased costs for printer materials and the replacement of furniture at City shelters.
Operating Supplies	(0.08)	0.08	Projected overspending is due to the unplanned purchase of additional supplies, including an animal-safe chemical solution to ensure cleanliness standards at six animal shelters and personal protective equipment for staff.
General Fund Total	\$ 1.43	\$ (0.36)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 4.07	\$ 3.35	\$ (0.72)	Revenue shortfall is due to a bank transition that delays regular funding disbursement from animal regulation permit revenues, reduce staffing needed to process permits, 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.

The projected General Fund surplus is approximately \$0.80 million higher than previously projected in the Second FSR primarily due to hiring delays. This Office recommends a transfer of \$833,914 from the projected Salaries General surplus to the Salaries As-Needed (\$276,812), Overtime General (\$226,722), Medical Supplies (\$185,380), Office and Administrative (\$65,000) and Operating Supplies (\$80,000) to address projected overspending. This Office will continue to work with the Department to monitor its expenditures and report in the Year-End FSR with any transactions necessary to resolve any remaining overspending.

Increased participation in the Citywide Cat Program by residents and partner organizations has resulted in a higher number of cat sterilizations and voucher redemptions. This Office recommends transferring \$630,000 from the Salaries General Account to the Community Cat S/N Program Account within the Animal Sterilization Trust Fund to ensure services levels are maintained through year end.

This Office recommends the following transactions at this time:

- Transfer \$276,812 from the Salaries General Account to the Salaries As-Needed Account to provide additional staffing support at animal services shelters.
- Transfer \$226,722 from the Salaries General Account to the Overtime General Account to pay down accrued overtime hours.
- Transfer \$185,380 from the Salaries General Account to the Medical Supplies Account to address increased Medical Supplies costs.
- Transfer \$65,000 from the Salaries General Account to the Office and Administrative Account for printing materials and furniture replacement.

- Transfer \$80,000 from the Salaries General Account to the Operating Supplies Account for the purchase of cleaning solution and personal protective equipment.
- Transfer \$630,000 from the Salaries General Account to the Community Cat S/N Program Account within the Animal Sterilization Trust Fund to address projected overspending.
- Transfer \$277,048 from the Unappropriated Balance, Animal Services Operations Account to the Salaries As-Needed Account to provide additional staffing support at animal services shelters.

C. Building and Safety
No Recommendation

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.82	\$ -	Projected surplus is due to staff vacancies. The Department has a 20 percent vacancy rate.
Other Surplus Accounts	0.22	-	Projected surpluses are based on year-to-date expenditure trends.
General Fund Total	\$ 2.04	\$ -	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 20.82	\$ -	Projected surplus is due to staff vacancies. The Department has a 20 percent vacancy rate.
Other Surplus Accounts	2.40	-	Projected surpluses are based on year-to-date expenditure trends.
Special Funds Total	\$ 23.22	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 85.04	\$ 79.15	\$ (5.89)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies.

The projected General Fund surplus is approximately \$1.84 million lower than previously reported in the Second FSR due to the Department’s realignment of funding for filled positions. The projected special fund surplus is approximately \$7.78 million higher than previously reported in the Second FSR primarily due to lower than projected hiring for special funded positions and lower than anticipated spending in several expense accounts. This Office does not recommend any transactions at this time.

Repair and Demolition Fund

The Repair and Demolition Fund (Fund) partially funds the Department’s Salaries General Account in the amount of \$423,677. As a result of the Mayor’s Tolling Order during the COVID-19 emergency declaration, delays in property owner reimbursements have impacted the Fund’s cashflow for the prior two years. In the 2022-23 fiscal year, the Mayor and Council approved a Reserve Fund loan of \$404,657 to address the Fund’s cash flow issues. The Fund received \$657,295 in revenue through February 2023 and we project the Fund will receive sufficient revenue to repay the Reserve Fund loan by year end.

**D. Cannabis Regulation
No Recommendation**

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.86	\$ -	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.04	-	Projected surpluses are based on prior-year and year-to-date expenditure trends.
Overspending (Shown as Negative, in millions)			
Contractual Services	(0.85)	-	Projected overspending due to the need to front-fund expenditures for the Proposition 64 grant.
Special Funds Total	\$ 0.05	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year 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 projected special fund surplus is \$0.81 million lower than previously reported in the Second FSR due to expenditures for the Proposition 64 grant, which is provided by the State of California on a reimbursement basis. On February 4, 2024, the Mayor and Council approved the recommendations of a report from the Department including a transfer of approximately \$0.85 million from the Department of Cannabis Regulation Special Revenue Trust Fund, Reserve for Future Costs Account to address the projected overspending (C.F. 21-0476). This Office does not recommend any transfers at this time.

E. City Administrative Officer

Recommendation No. 7

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.20	\$ (0.20)	Projected surplus is due to staff vacancies.
Overspending (Shown as Negative, in millions)			
Overtime General	(0.20)	0.20	Projected overspending is due to increased staff overtime in light of departmental vacancies and increased workload.
Contractual Services	(1.27)	1.27	Projected overspending is due to funding budgeted in the Unappropriated Balance for Unarmed Model of Crisis Response contractors.
General Fund Total	\$ (1.27)	\$ 1.27	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year 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 General Fund overspending is \$1.73 million lower than previously reported in the Second FSR due to revised anticipated contract expenditures. This is offset by new overspending of \$1.27 million associated with costs for Unarmed Model of Crisis Response (UMCR) contractors (C.F. 20-0769-S6). These UMCR contractors provide rapid crisis response to non-violent 9-1-1 calls that may have a social services impact. The three contracts were partially funded in the Unappropriated Balance (UB), and a transfer from the UB is requested to fund anticipated contract costs.

Previously reported Contractual Services overspending of \$3 million associated with a contract with Ernst & Young LLP has now been eliminated. The CAO will reallocate existing Contractual Services funding budgeted for homeless outreach services (\$4.1 million), which is not anticipated to be expended in the current fiscal year, to fund the Ernst & Young LLP contract (\$3 million) as well as the contract with KPMG for American Rescue Plan Act consultant services (\$1.1 million, also discussed in the American Rescue Plan Act – State and Local Fiscal Recovery Funds section of this report).

Additionally, this Office has reviewed the 2023-24 Tax and Revenue Anticipation Notes (TRAN) Account and accounts within the Capital Finance Administration Fund to identify savings to offset Citywide overspending. Based on this review, we have identified a total of \$13.39 million in savings from the TRAN (\$12.67 million) and the Capital Finance Administration Fund (\$0.72 million). This Office recommends transferring these funds to the Unappropriated Balance, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.

This Office recommends the following transactions at this time:

- Disencumber and reappropriate \$90,427.93 in funds currently encumbered on the agreement with Community Partners (C-143196) in order to encumber the funds on the agreement with Safe Parking LA (C-145058) to continue to provide safe parking services to people experiencing vehicle homelessness.
- Appropriate \$980,651.84 within the Insurance and Bonds Premiums Special Fund to fund costs associated with the Contractor Development and Bonding Program and insurance premiums.

- Transfer \$200,000 from the Salaries General Account to the Overtime General Account to fund anticipated overtime obligations for employees.
- Transfer \$5,224.67 from the Innovation Fund to the Office and Administrative Account to reimburse expenditures made in support of the Innovation and Performance Awards.
- Transfer \$12,672,139 in savings within the Tax and Revenue Anticipation Notes Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer a total of \$719,655 in savings within various accounts in the Capital Finance Administration Fund to the Unappropriated Balance, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$1,271,726 from the Unappropriated Balance to the Contractual Services Account to fund UMCR contract expenditures.

F. City Attorney

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.08	\$ 0.15	Projected surplus is due to staff vacancies.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(0.09)	0.10	Projected overspending is due to increased staff overtime to maintain service levels in light of full-time vacancies and increased workload.
Litigation Expenses	(4.14)	2.50	Projected overspending is based on year-to-date and prior-year expenditure trends, and projected litigation costs through year end.
Outside Counsel	(5.26)	3.84	Projected overspending is based on year-to-date expenditures and projected legal service costs through year end.
General Fund Total	\$ (9.41)	\$ 6.59	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.44	\$ -	Projected surplus is due to staff vacancies.
Special Funds Total	\$ 1.44	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 42.05	\$ 40.29	\$ (1.76)	Projected revenue shortfall is due to reduced damage claims and settlement receipts, and reduced related cost reimbursements associated with special funded vacancies.

The projected General Fund overspending is approximately \$5.39 million lower than previously reported in the Second FSR, primarily due to the transactions recommended in the Second FSR and partially offset by higher projected litigation expenses. While in the Second FSR we reported special fund overspending of \$0.53 million, we now project a special fund surplus due to hiring delays. This Office recommends using the projected General Fund Salaries General surplus to address the projected Overtime General overspending. Additionally, we recommend transfers from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to partially address projected Litigation Expense and Outside Counsel overspending. This Office will continue to work with the City Attorney to monitor this overspending and report in the Year-End FSR with recommendations necessary to address any remaining overspending.

Outside Counsel

The Outside Counsel Account overspending continues to be driven by the Housing and Urban Development False Claims Act case (“Mei Ling”) and the over 50 police protest cases handled by outside counsel. In the current fiscal year, the Mayor and Council have approved new appropriations to the Outside Counsel Account totaling \$8.96 million. Based on year-to-date payments and invoices, and cost estimates from outside counsel firms, we project that \$3.84 million is required to address outside counsel costs through the end of March 2024. Therefore, this Office recommends a transfer from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Outside Counsel Account.

This Office recommends the following transactions at this time:

- Transfer \$100,000 from the Salaries General Account to the Overtime General Account to address projected overspending.

- Transfer \$250,000 from the Mayor’s Contractual Services Account to the Salaries General Account to reimburse the City Attorney for attorneys on loan to the Mayor’s Office.
- Transfer \$349,674 from the City Attorney Grants Fund to the Police Department’s Overtime Sworn and Overtime General accounts to support the LA Data Program.
- Transfer \$2,500,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Litigation Expense Account, to partially address projected overspending.
- Transfer \$3,840,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to Outside Counsel Account, to address projected expenses through March 2024.

**G. City Clerk
No Recommendation**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.79	\$ -	Projected surplus is due to staff vacancies. The Department's vacancy rate is 16 percent through December 2023.
Elections	0.43	-	Projected surplus is based on year-to-date expenditures and anticipated election expenses through year end.
Overtime General	0.02	-	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Contractual Services	0.13	-	
Other Surplus Accounts	0.10	-	
General Fund Total	\$ 1.47	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 0.66	\$ 0.62	\$ (0.04)	Projected revenue shortfall is due to delays in the establishment of the City Clerk's Passport Acceptance Office.

While in the First FSR we reported overspending of \$2.04 million, we now project a General Fund surplus primarily due to the recommendations of the First FSR and delays in hiring. This Office does not recommend any transactions at this time.

H. City Planning
No Recommendation

General Fund			
Account Name	Mid Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 2.18	\$ -	Projected surplus is due to staff vacancies, hiring delays, and filling positions in-lieu with lower level classifications. The current vacancy rate is approximately 23 percent.
General Fund Total	\$ 2.18	\$ -	

Special Funds			
Account Name	Mid Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 5.45	\$ -	Projected surplus is due to staff vacancies, hiring delays, and filling positions in-lieu with lower level classifications. The current vacancy rate is approximately 23 percent.
Overtime General	0.09	-	Projected surplus is due to lower than anticipated staff overtime for projects.
Special Funds Total	\$ 5.54	\$ -	

General Fund Revenue			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 16.06	\$ 14.00	\$ (2.06)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies.

The projected General Fund surplus is approximately \$0.54 million higher than previously reported in the First FSR due to hiring delays. The projected special fund surplus is approximately \$1.54

million higher than previously reported in the First FSR due to hiring delays and lower than anticipated staff overtime. This Office does not recommend any transactions at this time.

**I. City Tourism Department
No Recommendation**

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.29	\$ -	Surplus is due to staff vacancies.
Other Surplus Accounts	0.05	-	Projected surpluses in various expense accounts are based on year-to-date and prior-year expenditure trends.
Special Funds Total	\$ 0.34	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 1.14	\$ 1.48	\$ 0.34	Projected revenue surplus due to prior-year related costs reimbursement receipts.

The projected special fund surplus is substantially the same as previously reported in the First FSR. This Office does not recommend any transactions at this time.

J. Civil, Human Rights, and Equity
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.278	\$ -	Projected surplus is due to staff vacancies.
Salaries As-Needed	0.040	-	Projected surplus is due to delayed Discrimination Enforcement commission hearings and current-year expenditure trends.
Contractual Services	0.221	-	Projected surpluses are based on current-year expenditure trends and projected operational needs through year end.
Other Surplus Accounts	0.026	-	
General Fund Total	\$ 0.565	\$ -	

The projected General Fund surplus is approximately \$0.369 million higher than previously reported in the Second FSR due to delays in hiring and higher than anticipated attrition. The Department does not have a General Fund revenue budget.

L.A. REPAIR Program

The LA REPAIR Innovation Fund currently has a balance of \$9.37 million and this Office projects a year-end surplus of \$6 million. The surplus is a result of program implementation delays due to accounting support issues and contract execution delays. This projected surplus is \$0.60 million lower than previously reported in the Second FSR due to expenditures for Peace and Healing Centers. 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 continued to experience challenges in filling one Accountant position authorized to support these programs. The City Clerk will use salary savings from the vacant Accountant position to fund Overtime expenses for staff within the City Clerk Accounting Unit to provide support in the interim. CHRED is also exploring other options to filling this position (e.g. 120-day employees). The Department anticipates that the second phase and disbursement of funds will begin in July 2024.

This Office recommends the following transaction at this time:

- Transfer \$32,861.34 within the Human Relations Commission Trust Fund for contractual services for the Midnight Stroll program.

**K. Community Investment for Families
Recommendation Nos. 8, 9, and 10
Attachment 4 – Transfers between Accounts within Departments and Funds**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Contractual Services	\$ 0.964	\$ -	Projected surplus is due to delays executing contracts for one FamilySource Center and the Language Access Program.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.033)	-	Projected overspending is due to an unbudgeted interim resolution authority to support the Language Access Program.
General Fund Total	\$ 0.931	\$ -	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.270	\$ (0.020)	Projected surplus is due to staff vacancies and filling positions in-lieu with lower level classifications.
Operating Supplies	0.001	(0.001)	Projected surplus is based on year-to-date and prior-year expenditure trends and projected operational needs through year end.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.026)	0.020	Projected overspending in several expense accounts due to unbudgeted grant expenditures for Office of Traffic Safety grants, the Community Development Block Grant, the Community Services Block Grant, and the OpportunityLA grant.
Overtime General	(0.054)	0.004	
Contractual Services	(0.827)	0.008	
Other Overspending Accounts	(0.323)	0.058	
Special Funds Total	\$ (0.958)	\$ 0.069	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 3.178	\$ 3.171	\$ (0.007)	Projected revenue shortfall is due to reduced related costs associated with reduced HOME-ARP grant salary expenditures.

Whereas in the Second FSR, we reported General Fund overspending of \$0.45 million, we now project a year-end General Fund surplus of \$0.931 million due to the recommendations of the Second FSR and contracting delays. The projected special fund overspending is approximately \$0.736 million higher than previously reported in the Second FSR primarily due to unbudgeted grant expenditures. In a report received on December 5, 2023, the Department requested to realign the appropriations for the Office of Traffic Safety and the OpportunityLA programs to match planned grant expenditures, which would partially address the projected special fund overspending (C.F. 22-0568-S1). This Office recommends additional grant realignments and transfers in this FSR to further address this overspending. This Office will continue to work with the Department to monitor the special fund overspending and report in the Year-End FSR with recommendations necessary to address any remaining overspending.

Mayfair Hotel Acquisition Cash Loan

On June 9, 2023, Council approved a Community Development Block Grant (CDBG) allocation of \$27.7 million in the 49th Program Year Consolidated Plan for the acquisition of the Mayfair Hotel to provide bridge housing for people experiencing homelessness (C.F. 22-1205-S1). On August 18, 2023, Council approved the acquisition of the Mayfair Hotel, a cash flow loan of \$27,687,000 and from the General City Purposes Fund, Homelessness Emergency Account to the Community Development Trust Fund for the CDBG allocation used towards the acquisition costs, and the repayment of the cash flow loan to the originating account. This Office recommends increasing appropriations in the General City Purposes Fund for the cash flow loan repayment from CDBG funds (C.F. 23-0792).

This Office recommends the following transactions at this time:

- Authorize the Controller to increase appropriations in the amount of \$27,687,000 in the General City Purposes Fund 100/56, Account No. 000959, Homelessness Emergency Account, from the repayment by the Community Development Trust Fund No. 424/21 previously approved for the cash flow loan for the Mayfair Hotel acquisition (C.F. 23-0792).
- Increase appropriations totaling \$68,755 within the Community Services Block Grant Trust Fund to align 2023-24 budgetary appropriations with available grant funds.
- Reduce appropriations in the amount of \$267,440 within the Community Development Block Grant COVID-19 Administrative Reserve to reflect available grant funds.

- Transfer \$20,931 from the Salaries General (\$20,000) and Operating Supplies (\$931) accounts to the Salaries As-Needed (\$20,000) and Office and Administrative (\$931) accounts to realign budget appropriations with anticipated expenditures.
- Transfer \$51,535.69 from the 2022-23 HOME-ARP balance to the Department’s HOME-ARP Administrative Reserve Account to pay for administrative costs in 2024-25.

L. Controller

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.584	(0.260)	Projected surplus is due to staff vacancies.
Contractual Services	1.417	(1.417)	Projected surplus is due to the inadvertent payment of HRP invoices by ITA.
General Fund Total	\$ 3.001	\$ (1.677)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 6.114	\$ 5.664	\$ (0.450)	Projected revenue shortfall is due to reduced related costs reimbursements associated with revised indirect cost rates.

While in the First FSR we reported General Fund overspending of \$0.875 million, we now project a General Fund surplus due to the recommendations of the First FSR and delays in hiring. We recommend transferring funds from the Salaries General Account to the Contractual Services Account to address projected overspending related to the HRP project. We also recommend transferring Contractual Services funds to the Information Technology Agency to reimburse the Department for invoices that were incorrectly processed on behalf of the Controller’s Office.

This Office recommends the following transactions at this time:

- Transfer \$260,000 from the Salaries General Account to the Contractual Services Account to pay for expenses associated with the HRP project.

- Transfer \$1,677,420 from the Contractual Services Account to the Information Technology Agency's Contractual Services Account to reimburse the Department for invoices that were inadvertently paid on behalf of the Controller's Office.

M. Council

Recommendation Nos. 11 and 12

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:

- Authorize the Controller to refund \$14,730 from the Council's Contractual Services Account to the developer, Relevant Group, for funds no longer needed for the Morrison Hotel Project (C.F. 19-1364).
- Reappropriate \$300,000.00 from the unencumbered balance remaining in General City Purposes (GCP) Fund No. 100/56, Account No. 000472, Homelessness Prevention Services/Rental Assistance-CD8 Fiscal Year 2021-22 to the current Fiscal Year 2023-24 GCP Fund No. 100/56, Acct 000472 for the purpose of encumbering contract number C-140419 Special Service for Groups, Inc.
- Transfer \$2,600,000 from the Council's Salaries, General Account to the Salaries, As-Needed (\$2,000,000), Contractual Services (\$300,000) and Office and Administrative (\$300,000) accounts to align the Council's operating budget with current expenditure patterns.
- Transfer \$600,000 from the State AB 1290 City Fund, Council District 14 Redevelopment Fund to the Council's Salaries, As-Needed (\$350,000) and Office and Administrative (\$250,000) accounts to support Council District 14 expenses.
- Transfer \$329,062 from the State AB 1290 City Fund, Council District 7 Redevelopment Fund to the Board of Public Works, Contractual Services Account, for community beautification services in Council District 7 including cleanups and weed abatement.
- Transfer \$230,000 from the State AB 1290 City Fund, Council District 9 Redevelopment Fund to the Council's Salaries, As-Needed Account to support CD 9 expenses.
- Transfer \$460,000 from the Council's Contractual Services Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$1,763,293 from the Unappropriated Balance, Equipment, Expenses, Alterations and Improvements Account to the Council's Salaries, As-Needed Account to align the Council's operating budget with current expenditure patterns.

N. Cultural Affairs

Attachment 4 – Transfers between Accounts within Departments and Funds

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.368	\$ (0.678)	Projected surplus due to staff vacancies and prioritized critical hiring. The Department has a 30 percent vacancy rate.
Transportation	0.002	-	Projected surpluses are based on year-to-date expenditure trends.
Art and Music Expense	0.132	-	
Office and Administrative	0.068	-	
Operating Supplies	0.056	-	
Special Appropriations III	0.154	(0.154)	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.832)	0.832	Projected overspending is due to the increased need for as-needed staff to re-open programs and services at art centers and theaters in light of full time vacancies.
Special Funds Total	\$ 0.948	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 6.065	\$ 6.068	\$ 0.003	Projected revenue surplus is due to unbudgeted year-to-date revenue receipts.

While in the First FSR this Office reported overspending of \$4.59 million, we now project a surplus due to the recommendations of the First FSR and delays in hiring. This Office recommends transferring funds from the projected Salaries General and Special Appropriations III surpluses to address the Salaries As-Needed overspending.

This Office recommends the following transactions at this time:

- Transfer \$477,852 from the Salaries General Account to the Salaries As-Needed Account

to provide additional staff support at arts and cultural facilities through year end.

- Transfer \$154,148 from the Special Appropriations III Account to the Salaries As-Needed Account to reimburse the Salaries As-Needed Account for front funding the cost of the Summer Arts and Culture Youth Jobs Program.

O. Disability
No Recommendation

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.421	\$ -	Projected surplus is due to staff vacancies. Departmental vacancy rate is 28% as of the end of December 2023.
Contractual Services	0.477	-	Projected surplus is due to contracting delays associated with the Department's full-time vacancies.
Other Surplus Accounts	0.142	-	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>			
Overtime General	(0.003)	-	Projected overspending is based on year-to-date and prior-year expenditures, and projected operational needs through year end.
General Fund Total	\$ 1.036	\$ -	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.075	\$ -	Projected surplus is due to the delayed hiring of a Senior Project Coordinator in the ADA Compliance Division.
Special Funds Total	\$ 0.075	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 0.17	\$ 0.06	\$ (0.11)	Projected revenue shortfall is due to reduced related costs associated with a vacant position in the ADA Compliance Division.

While in the First FSR we reported General Fund overspending of \$0.01 million, we now report a General Fund surplus primarily due to delays in hiring and programmatic implementation delays associated with the Department's full-time vacancies. This Office anticipates that the Overtime General overspending will be addressed by an administrative transfer from one of the accounts with a projected surplus. This Office does not recommend any transactions at this time.

P. Economic and Workforce Development

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.71	\$ (0.23)	Projected surplus is due to staff vacancies. Projected surplus is based on prior-year expenditure trends and projected operational needs through year end.
Contractual Services	0.46	-	
Other Surplus Accounts	0.01	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(0.18)	0.18	Projected overspending due to increased staff overtime in light of full-time vacancies.
Office and Administrative	(0.05)	0.05	Projected overspending due to unbudgeted office relocation costs.
Leasing	(0.01)	-	
General Fund Total	\$ 0.94	\$ -	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.84	\$ -	Projected surplus is due to staff vacancies.
Contractual Services	0.42	-	Projected surplus is based on prior-year expenditure trends and projected operational needs through year end.
Other Surplus Accounts	0.47	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Leasing	(0.33)	-	Projected overspending due to unbudgeted office relocation costs.
Special Funds Total	\$ 3.40	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 3.95	\$ 3.95	\$ -	This Office anticipates the Department will meet its General Fund revenue budget by year end.

The projected General Fund surplus is approximately \$0.90 million lower than previously reported in the Second FSR primarily due to increased actual and projected expenditures in the Contractual Services Account for consulting services related to real estate development projects within the Economic Development Division. The projected special fund surplus is approximately \$0.62 million lower than previously reported in the Second FSR primarily due to increased hiring by the Department in special-funded positions. This Office recommends transfers from the projected General Fund Salaries General surplus to address overspending in the Overtime General and Office and Administrative accounts. This Office will continue to monitor the Department's expenditures and report in the Year-End FSR 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 and November 2023, respectively, the Mayor and Council authorized total Reserve Fund loans of \$14.5 million to support grant operations, to be repaid upon completion of the grant performance period and full reimbursement of expenditures by the state. As of December 31, 2023, the state has issued

reimbursements of approximately \$9 million. An additional \$6.5 million in reimbursements requested by the Department are pending review by the state.

Gang Injunction Curfew Settlement Program

In April 2017, the federal court approved the Gang Injunction Curfew Settlement Agreement (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 Department reports actual expenditures of approximately \$741,000 from July-December 2023, and an additional \$756,000 in invoices currently under review. The 2023-24 Adopted Budget also set aside \$5,023,480 in the Unappropriated Balance with an instruction to the Department to report through the Financial Status Report or other means if funding is needed to support expenditures in the current and final year. The Department has not made any such request for this reporting period.

This Office recommends the following transactions at this time:

- Increase appropriations in the EWDD-administered Mayor's Fund for Los Angeles Fund and transfer funds in the amount of \$250,000 to the Board of Public Works (Board) for the Board's Workforce Equity Demonstration (WED) Pilot (C.F. 22-1302) as \$137,463.29 for salaries, \$67,000 for contractual services, and \$45,536.71 in reimbursement of prior year salaries and related costs. In July 2023, the Board received a check from the Mayor's Fund of Los Angeles in the amount of \$250,000, which is a consolidated award from two different donors (Cedars-Sinai Medical, \$100,000 and James Irvine Foundation, \$150,000) for the continued support of the WED Pilot at BPW. This check was deposited in EWDD's Mayor's Fund for Los Angeles Fund. EWDD's Fund was created by EWDD to administer its own grant programs from the Mayor's Fund. Therefore, these transactions are needed to transfer the grant funds to the intended recipient, the Board.
- Transfer \$326,343.30 in appropriations within the Economic Development Trust Fund to reflect proceeds from the sale of the Manhattan and Blakely properties, as detailed in Council File 10-1068, and to appropriate cash balances and interest earnings as Program Income.
- Transfer \$415,107 in appropriations within the Los Angeles City Industrial-Commercial Revolving Loan Fund to reflect cash balance and interest earnings as Program Income.
- Transfer \$100,000 from the Department's Salaries General Account to address over-expenditures in the Department's Overtime General and Office and Administrative accounts.

- Transfer \$362,458 from the Capital and Technology Improvement Expenditure Plan to the Department of General Services to provide maintenance and abatement services at five properties managed by the Economic and Workforce Development Department.

Q. El Pueblo

Attachment 4 – Transfers between Accounts within Departments and Funds

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.012	\$ 0.050	Projected surplus is due to underfilling one position in-lieu and staff vacancies.
Salaries As-Needed	0.097	(0.050)	Projected surplus is due to delays in hiring as-needed staff.
Other Surplus Accounts	0.116	-	Projected surpluses in several expense accounts are based on year-to-date and prior-year expenditure trends, and anticipated operational costs through year end.
Special Funds Total	\$ 0.224	\$ -	

While in the First FSR we reported projected special fund overspending of \$0.234 million, we now report a projected special fund surplus primarily due to the recommendations of the First FSR. The Department does not have a General Fund revenue budget.

This Office recommends the following transaction at this time:

- Transfer \$50,000 from the Salaries As-Needed Account to the Salaries General Account to ensure the Department has the appropriate funds available for full-time employees. Funds were previously transferred from the Salaries General Account to the Salaries As-Needed Account pending the receipt of special fund reimbursements.

**R. Emergency Management
No Recommendation**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.053	\$ -	Projected surplus is due to staff vacancies.
Salaries As-Needed	0.034	-	Projected surplus is based on year-to-date expenditure trends and projected operational needs through year end.
Office and Administrative	0.034	-	Projected surplus is based on prior-year expenditure trends excluding outlier years with pandemic impacts or one-time software
Overtime General	0.028	-	
Contractual Services	0.003	-	Projected surplus is based on lower monthly lease rentals and meter reads.
General Fund Total	\$ 0.153	\$ -	

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

The projected General Fund surplus is approximately \$0.02 million lower than previously projected in the First FSR due to a significant increase in payouts related to a settlement agreement (C.F. 23-1226) and a decrease in funding related to the unarmed crisis response position (C.F. 22-0979-S1). This Office does not recommend any transactions at this time.

**S. Employee Relations Board
No Recommendation**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries As-Needed	\$ 0.009	\$ -	Projected surplus is due to vacancies on the Employee Relations Board.
Other Surplus Accounts	0.016	-	Projected surplus is based on year-to-date and prior-year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.006)	-	Projected overspending is due to unbudgeted sick time payouts.
Contractual Services	(0.015)	-	Projected overspending is due to prior-year costs for unfair hearings paid with current-year funds.
General Fund Total	\$ 0.004	\$ -	

The projected General Fund surplus is approximately \$0.022 million lower than previously reported in the First FSR primarily due to Contractual Services overspending associated with prior-year unfair hearing costs. This Office anticipates that the Salaries General and Contractual Services overspending will be addressed through administrative transfers from the Department's surplus accounts. 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	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries As-Needed	\$ 0.05	\$ -	Projected surpluses are based on year-to-date expenditures and projected operational needs through year end.
Contractual Services	0.03	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.08)	-	Projected overspending is due to the early hiring of positions funded for nine-months in the Adopted Budget and discrepancies in the 2023-24 salaries budgeting when compared to actuals.
Special Funds Total	\$ -	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 1.23	\$ 1.23	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office continues to project that the Department will end the year on-budget as the reduction in the projected Salaries General overspending since the First FSR was offset by the decreased projected Contractual Services surplus. This Office anticipates using the projected Salaries As-Needed and Contractual Services surpluses to offset the Salaries General overspending. We will continue to work with the Department to monitor its expenditures and report in the Year-End FSR with recommendations necessary to address the projected 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	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive)</i>			
Salaries General	\$ 2.21	\$ (0.65)	Projected surplus is due to staff vacancies.
Transportation	0.16	-	Projected surplus is due to reduced field audit and enforcement operations in light of vacancies.
<i>Overspending (Shown as Negative)</i>			
Overtime General	(0.12)	0.24	Projected overspending is due to increased staff overtime to address workload during the peak season in light of full-time vacancies and maintain the LATAX system.
Printing and Binding	(0.03)	-	Projected over-expenditures will be addressed within budgeted funds.
Contractual Services	(0.24)	0.20	Projected overspending is primarily due to contracted printing and mailing costs, and office relocation expenses related to the move from the Garland Building.
Office and Administrative	(0.21)	0.21	Projected overspending is due to new software licenses to support operations, server replacement, and increases in data usage for cloud storage.
General Fund Total	\$ 1.77	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 11.33	\$ 12.29	\$ 0.96	Projected revenue surplus is due to increased special services for proprietary departments and higher than anticipated fee receipts.

The projected General Fund surplus is approximately \$0.30 million higher than previously reported in the Second FSR primarily due to reduced projected hiring as a result of the Prioritized Critical Hiring process. This Office recommends transfers from the projected Salaries General surplus to the Overtime General, Contractual Services, and Office and Administrative accounts to address

projected overspending. This Office will work with the Department to monitor its expenditures and report in the Year-End FSR with recommendations necessary to address the remaining overspending.

This Office recommends the following transactions at this time:

- Transfer \$240,000 from the Salaries General Account to the Overtime General Account to address projected overspending to meet peak workload demand.
- Transfer \$200,000 from the Salaries General Account to the Contractual Services Account to address printing and mailing costs, LATAX-related expenditures, and contract and office relocation costs from the Garland Building.
- Transfer \$210,000 from the Salaries General Account to the Office and Administrative Account to fund new software licenses to support operations and data usage costs.

V. Fire
Recommendation No. 13
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.69	\$ (2.31)	Projected surplus is due to staff vacancies and hiring delays.
Overtime Sworn	1.95	-	Projected surpluses are based on lower than anticipated year-to-date expenditures and prior-year spending trends.
Overtime Variable Staffing	0.89	-	
Other Surplus Accounts	1.07	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries Sworn	(20.42)	(16.39)	Projected overspending is primarily due to transfers from this account to meet timely cash flow needs including PP-GEMT IGT payments.
Salaries As-Needed	(0.18)	0.18	Projected overspending is due to the increased use of as-needed staff and staff overtime to maintain service levels in light of full time vacancies and for increased public safety inspections and fleet maintenance work.
Overtime General	(0.52)	0.60	
Overtime Constant Staffing	(19.16)	-	Projected overspending is due to an increased backfill rate in light of sworn vacancies.
Contractual Services	(10.49)	10.30	Projected overspending is due to unbudgeted contractual obligations, including the estimated PP-GEMT IGT (\$15 million) and Medi-Cal IGT (\$3.74 million) payments.
Field Equipment Expense	(1.84)	1.80	Projected overspending is due to increasing field equipment expense costs associated with the maintenance of LAFD vehicles.
Rescue Supplies and Expense	(0.64)	0.70	Projected overspending is due to higher than anticipated medical and rescue supply costs.
Office and Administrative	(0.65)	0.65	Projected overspending is attributed to increasing costs of repairs, services, maintenance, and unbudgeted recurring expenses.
Operating Supplies	(4.23)	4.23	Projected overspending is due to planned operating equipment purchases.
General Fund Total	\$ (51.53)	\$ (0.24)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 269.37	\$ 301.33	\$ 31.96	Revenue surplus is due to projected increased revenues from the PP-GEMT IGT Program and proprietary department billings.

The projected General Fund overspending is approximately \$14.20 million higher than previously reported in the Second FSR, primarily due to lower than anticipated sworn attrition, increased contract expenditures, and the increased cost of firefighting supplies, equipment, and automotive parts. This Office recommends using projected using the projected General Fund Salaries General surplus and the Salaries Sworn Account to address projected overspending in the Overtime General, Contractual Services, Rescue Supplies and Expense, Office and Administrative, and Office Supplies accounts. While the recommended transfer from the Salaries Sworn Account would increase the projected overspending, the transfer is necessary to ensure the timely payments for participation in the 2024 Public Provider Ground Emergency Medical Transport (PP-GEMT) IGT Program by April 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 its expenditures and will report in future FSRs with recommendations necessary to address the overspending.

Public Provider Ground Emergency Medical Transport Intergovernmental Transfer Program

Effective January 1, 2023, the 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 non-contracted 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 Department estimates the amount for the 2024 calendar year to be \$27.71 million, but can only confirm actual amounts once quarterly invoices are received. Of this amount, \$13.31 million will need to be paid in 2023-24. In the Second FSR, we recommended a transfer of \$7.5 million for the January 2024 payment, and in this FSR we recommend a transfer of \$6.84 million for the April 2024 payment. This Office will continue to monitor the projected PP-GEMT IGT payment need and report in the Year-End FSR with recommendations necessary to ensure timely PP-GEMT IGT payments.

This Office recommends the following transactions at this time:

- Transfer 175,000 from the Salaries General Account to the Salaries As-Needed Account to address projected overspending.
- Transfer \$600,000 from the Salaries General Account to the Overtime General Account to address projected overspending related to workload needs for public safety inspections and fleet maintenance.
- Transfer a total of \$3,711,179 from the Salaries General (\$388,309) and Salaries Sworn (\$3,322,870) accounts to the Contractual Services Account to meet unfunded obligations and critical operating costs.
- Transfer a total of \$650,000 from the Salaries General (\$450,000) and Salaries Sworn (\$200,000) accounts to the Office and Administrative Account to pay recurring bills for repairs, services, and maintenance, UFLAC Wellness Program reimbursements, and Executive Development training for LAFD Chief Officers.
- Transfer \$700,000 from the Salaries General Account to Rescue Supplies Account to sustain operations and maintain adequate inventory of critical medical supplies.
- Transfer \$1,800,000 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 \$6,840,000 from the Salaries Sworn Account to the Contractual Services Account to fulfill the second quarterly payment to the State for the 2024 PP-GEMT IGT Program.
- Transfer \$4,230,000 from Salaries Sworn Account to the Operating Supplies Account to sustain operations and support critical needs for firefighting safety equipment.
- Transfer \$250,000 from the Contractual Services Account to the General Services Department to continue installation of fire extractors at various fire stations. The extractors are used to clean and eliminate health hazards for Fire personnel gear.

MICLA

- Transfer \$180,000 from Fund 298/38, MICLA, Account 38Y232, Communications Labor, to the Information Technology Agency, Fund No. 100/32, Account No. 001100, Hiring Hall Salaries, for the installation of communication equipment in Fire Department vehicles, and authorize the Controller to reimburse the General Fund upon receipt of ITA labor services invoices from MICLA.

W. General Services

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 5.45	\$ (3.75)	Projected surplus is due to staff vacancies. Departmental vacancy rate is 18 percent as of January 2024.
Salaries As-Needed	0.40	(0.40)	Projected surpluses are due to lower than anticipated year-to-date expenditures.
Contractual Services	0.13	0.13	
Office and Administrative	0.10	(0.10)	
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	\$ (0.56)	\$ -	Projected overspending is due to the increased use of staff overtime and hiring hall staff to maintain services levels in light of full-time vacancies.
Salaries Hiring Hall	(0.50)	0.50	
Hiring Hall Fringe Benefits	(0.50)	0.25	
Overtime Hiring Hall	(0.05)	-	
Field Equipment Expense	(6.80)	6.54	Projected overspending is due to higher maintenance costs associated with the City's aging fleet.
Petroleum Products	(9.00)	5.01	Projected overspending is due to increased fuel prices.
Uniforms	(0.07)	-	Projected overspending is due to increased costs for uniforms.
General Fund Total	\$ (11.40)	\$ 8.18	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 1.59	\$ -	Projected surplus is due to staff vacancies and hiring delays. Departmental vacancy rate is 18 percent as of January 2024.
Petroleum Products	2.55	(1.06)	Projected surplus is due to lower than anticipated expenditures for SWRRF-funded commodity purchases.
Overspending (Shown as Negative, in millions)			
Overtime General	\$ (0.56)	\$ 0.56	Projected overspending is due to increased SWRRF-funded work related to an aging fleet, CTO, and vacancies.
Field Equipment Expense	(4.15)	0.50	Projected overspending is due to higher SWRRF-funded maintenance costs associated with the City's aging fleet.
Uniforms	(0.07)	-	Projected overspending is due to increased SWRRF-funded costs for uniforms.
Special Funds Total	\$ (0.64)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	from Budget	Projection Basis
\$ 40.39	\$ 41.02	\$ 0.63	Projected revenue surplus is due to unbudgeted prior-year related cost reimbursements.

The projected General Fund overspending is approximately \$26.41 million lower than previously reported in the Second FSR primarily due to the recommendations of the Second FSR and lower than anticipated petroleum and field equipment expenditures. This overspending includes an additional \$2 million in field equipment costs for special funded vehicles that have become a General Fund liability due to the inability of the Solid Waste Resources Revenue Fund to support these operational costs. The projected special fund overspending is approximately \$1.9 million lower than previously reported in the Second FSR primarily due to savings for alternative fuels funded by the special fund Petroleum Account and hiring delays. The projected General Fund Petroleum Account overspending has decreased by approximately \$2.57 million due to lower than anticipated fuel prices and updated price projections from the United States Energy Information Administration. This Office recommends using \$2.54 million in unused prior-year encumbrances, \$5 million in new appropriations from the Unappropriated Balance, Reserve for Mid-Year

Adjustments Account, a portion of the projected General Fund Salaries General, Salaries As-Needed, and Office and Administrative surpluses, and a portion of the projected special fund Petroleum Products surplus to offset the projected overspending. We will continue to work with the Department to monitor its overspending and report with recommendations necessary to address the remaining overspending in the Year-End FSR.

This Office recommends the following transactions at this time:

- Authorize the Controller to disencumber up to \$125,000 in 2022-23 encumbrances within GSD's Contractual Services Account and reappropriate up to \$125,000 to GSD's 2023-24 Contractual Services Account to procure contractors to assist with HRP Integration and Data Services Support.
- Authorize the Controller to disencumber up to \$20,074 in 2018-19 encumbrances within GSD's Field Equipment Expense Account and reappropriate up to \$4,100 to GSD's 2023-24 Field Equipment Expense Account to fund the repair and maintenance of the City's Fleet.
- Authorize the Controller to disencumber up to \$281,763 in 2019-20 encumbrances within GSD's Field Equipment Expense Account and reappropriate up to \$18,000 to GSD's 2023-24 Field Equipment Expense Account to fund the repair and maintenance of the City's Fleet.
- Authorize the Controller to disencumber up to \$397,138 in 2020-21 encumbrances within GSD's Field Equipment Expense Account and reappropriate up to \$39,000 to GSD's 2023-24 Field Equipment Expense Account to fund the repair and maintenance of the City's Fleet.
- Authorize the Controller to disencumber up to \$121,000 in 2021-22 encumbrances within GSD's Field Equipment Expense Account and reappropriate up to \$121,000 to GSD's 2023-24 Field Equipment Expense Account to fund the repair and maintenance of the City's Fleet.
- Authorize the Controller to disencumber up to \$216,000 in 2022-23 encumbrances within GSD's Field Equipment Expense Account and reappropriate up to \$216,000 to GSD's 2023-24 Field Equipment Expense Account to fund the repair and maintenance of the City's Fleet.
- Authorize the Controller to disencumber up to \$2,013,488 in 2022-23 encumbrances within GSD's Petroleum Products Account and reappropriate up to \$2,013,488 to GSD's 2023-24 Petroleum Products Account to procure fuel and fuel-related products for the City's Fleet.
- Appropriate \$3.0 million from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Petroleum Products Account to address overspending due to rising commodity prices through the Year-End FSR.
- Appropriate \$2.0 million from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Field Equipment Expense Account to address overspending due to maintenance costs associated with the aging fleet through the Year-End FSR.

- Transfer \$100,000 from the Office and Administrative Account to the Field Equipment Expense Account to address overspending due to maintenance costs associated with the aging fleet through the Year-End FSR.
- Transfer \$400,000 from the Salaries As-Needed Account to the Field Equipment Expense Account to address overspending due to maintenance costs associated with the aging fleet through the Year-End FSR.
- Transfer \$3 million from the Salaries General Account to the Field Equipment Expense Account to address overspending due to maintenance costs associated with the aging fleet through the Year-End FSR.
- Transfer \$500,000 from the Salaries General Account to the Hiring Hall Salaries Account to address overspending due to high vacancy rates in the Building Maintenance Division through the Year-End FSR.
- Transfer \$250,000 from the Salaries General Account to the Benefits Hiring Hall Account to address overspending due to high vacancy rates in the Building Maintenance Division through the Year-End FSR.
- Transfer \$1,062,500 from the Petroleum Products Account (SWRRF) to the Overtime General (\$562,500) and the Field Equipment Expense accounts (\$500,000) to address overspending due to maintenance costs associated with the aging fleet through the Year-End FSR.

X. Housing
Recommendation No. 21
Attachment 3 – New Appropriations
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.94	\$ (0.15)	Projected surplus is due to staff vacancies.
Office and Administrative	0.01	-	Projected surplus is due to increased staff remote work through April 2024.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.02)	0.02	Projected overspending is due to the increased use of as-needed staff and staff overtime to address backlogs in high priority assignments.
Overtime General	(0.02)	0.02	
Contractual Services	(0.50)	-	Projected overspending is due to contracting delays resulting in prior-year costs carrying over to the current year.
Leasing	(0.11)	0.11	Projected overspending is due to higher than anticipated lease costs for the Proposition HHH and CDBG administrative funds.
General Fund Total	\$ 0.30	\$ -	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 8.50	\$ (0.10)	Projected surplus is due to staff vacancies.
Office and Administrative	0.14	-	Projected surplus is due to increased staff remote work through April 2024.
Leasing	0.56	0.42	Projected surplus is primarily due lower than special fund eligible lease costs.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.33)	0.33	Projected overspending is due to the increased use of as-needed staff and staff overtime to maintain service levels in light of full-time staff vacancies.
Overtime General	(0.13)	0.13	
Special Funds Total	\$ 8.74	\$ 0.78	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 53.20	\$ 50.58	\$ (2.62)	Revenue shortfall is due to reduced related costs reimbursements associated with special funded vacancies.

While in the Second FSR we reported General Fund overspending of \$1.68 million, we now project a General Fund surplus due to the Department identifying prior-year HOME funds to cover HOME administrative expenses and additional salary expenditures eligible for Community Development Block Grant funding. The projected special fund surplus is approximately \$3.67 million higher than previously reported in the Second FSR primarily due to reduced special funded lease expenditures and the recommendations of the Second FSR. This Office recommends new appropriations and transfers from the projected Salaries General surplus to address projected overspending in the Salaries As-Needed, Overtime General and Leasing accounts. We will continue to work with the Department to monitor its expenditures and report in the Year-End FSR with recommendations necessary to address any remaining overspending.

This Office recommends the following transactions at this time:

- Reduce appropriations in the amount of \$1,229.81 within the HUD Connections Grant Fund No. 47X, from Account No. 43Y143, Housing Department and decrease appropriations within Housing Department Fund No. 100/43, Account No. 001010, Salaries General.
- Appropriate \$1,138,964 from the Proposition HHH Bond Proceeds Fund to the Department's Reimbursement from Other Funds (\$790,673) and Related Cost Reimbursements - Other (\$348,291) revenue accounts to reimburse the General Fund for eligible salary expenses and related costs related to the Proposition HHH Program.
- Appropriate \$96,519 from the available cash balance to the Financial Audit Account within Low and Moderate Income Housing Fund (LMIHF) and the Affordable Housing Trust Fund (AHTF) to reimburse the Controller for the payment of an invoice from MGO Certified Public Accountants for financial statements audit services related to the LMIHF and AHTF.
- Appropriate \$576,205 from the available cash balance within the Foreclosure Registry Trust Fund (\$286,197), and Housing Production Revolving Fund (\$290,008) to the Department's Salaries General Account and Reimbursement of General Fund Costs to fund the department's salaries costs.
- Transfer \$158,744 from the Salaries, General Account (\$119,790) and the Reimbursement of General Fund Costs (\$38,954) within various special funds to the Department's Salaries

As-Needed Account to pay for part time staff support needed in the General Administrative Support Program.

- Transfer \$198,924 from the United to House LA Administrative Reserve Account within the United to House LA Fund to the Salaries As-Needed Account to pay for part time ULA staff to assist the Rental Stabilization Division in addressing customer service hotline wait times related to the ERAP program.
- Transfer \$153,535 from the Salaries, General Account (\$116,103) 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 \$524,821 from the Salaries, General Account (\$404,528) and the Reimbursement of General Fund Costs (\$120,293) within various special funds to the Department’s Leasing Account to pay for costs associated with the Accessible Housing Program’s lease costs.
- Transfer \$16,790 from the Six Four Nine Lofts Account in the Affordable Housing and Sustainable Communities (AHSC) Grant Fund to the Reimbursement of Prior Year Salary Revenue Account to reimburse the General Fund for eligible salary costs related to the AHSC Grant.
- Transfer \$55,650 from the Project Sponsor Administration Account in the HUD Connections Grant Fund to the Tenant Based Rental Assistance Account to pay an invoice to the Housing Authority of the City of Los Angeles for the tenant-based rental assistance permanent supportive housing program.

Y. Information Technology Agency

Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 9.05	\$ -	Projected surplus is due to staff vacancies. The Department has a 21 percent vacancy rate.
<i>Overspending (Shown as Negative, in millions)</i>			
Communication Services	(0.06)	0.06	Projected overspending is due to funding for various Communication Services Requests for which appropriations from revenue are requested
General Fund Total	\$ 8.99	\$ 0.06	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year 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.

The projected General Fund surplus is approximately \$0.70 million higher than previously reported in the First FSR primarily due to delays in hiring. While we projected a special fund surplus of \$0.27 million in the First FSR, we now project the Department will end the year on-budget for its special fund appropriations due to the recommendations of the First FSR.

This Office recommends the following transaction at this time:

- Appropriate \$58,611.63 from the Department's Reimbursement from Other Funds (\$42,360.51) and Service to LACERS (\$16,251.12) revenue accounts to the Communication Services Account to fund various Communication Services Requests.

Z. Library
Attachment 5 – Transfers between Departments and Funds

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 5.65	-	Projected surplus is due to staff vacancies and hiring delays. Departmental vacancy rate is 23 percent as of December 2023.
Contractual Services	\$ 3.91	(0.02)	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	\$ 3.55	-	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	\$ 0.85	-	Projected surpluses in several expense accounts are based on prior-year and year-to-date expenditure trends.
Special Funds Total	\$ 15.74	\$ (0.02)	

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

This Office projects a year-end special fund surplus of \$15.74 million, which is approximately \$0.87 million higher than previously reported in the Second FSR, primarily due to staff vacancies and delays in hiring.

This Office recommends the following transaction at this time:

- Transfer \$19,404.72 from the Library’s Contractual Services Account to the General Services Department’s Salaries Construction Projects (\$14,632.72) and Construction Materials (\$4,772.00) accounts to pay for alterations, improvements, and repairs at Library facilities.

AA. Mayor
Recommendation No. 23
Attachment 4 – Transfers between Accounts within Departments and Funds

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

- Rescind Recommendation 3A included in C.F. 22-0982 which transferred \$100,000 in appropriations from Account No. 46W970, LAPD Grant Allocation in the Fiscal Year 2021 State Homeland Security Program Grant Fund No. 66F/46 to the Police Department's Fund No. 100/70, Account No. 001092, Overtime Sworn due to a duplicate transaction included in the First FSR (C.F. 23-0600-S110).
- Transfer \$450,000 from the Mayor’s Salaries As-Needed Account to the Contractual Services Account to support re-integration services including legal aid and housing assistance for individuals that have re-entered society after being incarcerated.
- Transfer \$1,881,432 from the UB, Equipment, Expenses, and Alterations and Improvements Account to the Mayor's Contractual Services, Office and Administrative, and Furniture, Office and Technical Equipment accounts to align the Mayor's operating budget with current expenditures.

BB. Neighborhood Empowerment
No Recommendation

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.226	\$ -	Projected surplus is due to staff vacancies.
Office and Administrative	0.052	-	Projected surpluses are based on prior-year expenditure trends and projected operational needs through year end.
Other Surplus Accounts	0.010	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.015)	-	Projected overspending is due to the increased use of as-needed staff due to vacancies and attrition.
Contractual Services	(0.043)	-	Projected overspending is due to increased translation requests associated with the return to in-person Neighborhood Council meetings.
Special Funds Total	\$ 0.231	\$ -	

The projected special fund surplus is approximately \$0.230 million higher than previously reported in the Second FSR primarily due to staff attrition and hiring delays. The projected overspending in the Salaries As-Needed and Contractual Services accounts will be addressed through administrative transfers from the Office and Administrative, and Printing and Binding accounts. The Department does not have any budgeted General Fund revenue. This Office does not recommend any transactions at this time.

CC. Personnel

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.99	\$ (0.85)	Projected surplus is due to staff vacancies.
<i>Overspending (Shown as Negative, in millions)</i>			
Office and Administrative	(0.30)	0.30	Projected overspending is due to higher than anticipated expenditures for the Police Office Recruitment Incentive Program bonuses.
Salaries, As-Needed	(0.25)	0.25	Projected overspending is due to the increased use of as-needed staff support for medical care in light of full-time vacancies.
Overtime General	(0.05)	0.05	Projected overspending is due to increased staff overtime to meet deadlines for the Human Resources and Payroll (HRP) Project Phase II implementation.
General Fund Total	\$ 2.38	\$ (0.25)	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.11	\$ -	Projected surplus is due to staff vacancies.
Special Funds Total	\$ 0.11	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 28.44	\$ 29.37	\$ 0.93	Projected revenue surplus is due to increased Workers' Compensation payments from the proprietary departments.

The projected General Fund surplus is \$0.5 million lower than previously reported in the First FSR due to new overspending projected in the Salaries As-Needed, Overtime General, and Office and Administrative accounts. The projected special fund surplus remains the same as reported in the First FSR. This Office recommends transferring funds from the Salaries General Account to address projected overspending in the Salaries As-Needed, Overtime General, and Office and Administrative accounts.

This Office recommends the following transactions at this time:

- Increase the appropriation in the Contractual Services account by \$150,000 from reimbursement from the Department of Water and Power for executive search services provided.
- Transfer \$250,000 from the Salaries General Account to the Salaries As-Needed Account to address projected overspending.
- Transfer \$50,000 from the Salaries, General Account to the Overtime General Account to address projected overspending.
- Transfer \$295,000 from the Salaries, General Account to the Office and Administrative Account to address projected overspending.
- Transfer \$252,759 from the Salaries, General Account to the General Services Department for facility improvements to the basement (\$195,215) and Central Services (\$57,544).

DD. Police

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.07	\$ (1.35)	Projected surplus is due to staff vacancies.
Office and Administrative	2.40	(1.50)	Projected surpluses are based on year-to-date expenditure trends and prior-year utilization rates.
Printing and Binding	0.59	(0.30)	
Firearms Ammunition and Other Devices	0.71	(0.71)	
Uniforms	0.77	(0.50)	
Other Surplus Accounts	1.06	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries Sworn	(82.05)	50.00	Overspending is primarily due to costs associated with the agreement with the Los Angeles Police Protective League (LAPPL) and projected hiring.
Overtime General	(1.35)	1.35	Overspending is due to increased staff overtime to maintain service levels in light of vacancies.
Overtime Sworn	(24.59)	10.00	Overspending is due to year-to-date expenditure trends and increased overtime costs associated with the agreement with LAPPL.
Contractual Services	(2.84)	1.50	Overspending is based on prior-year expenditures trends, increased contract security demand, and costs associated with the Living Wage Ordinance.
Field Equipment Expense	(2.06)	1.30	Overspending is based on prior-year expenditures and unbudgeted costs for new auto parts for delayed repairs.
General Fund Total	\$ (105.29)	\$ 59.79	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.46	\$ (0.46)	Projected surplus is due to staff vacancies.
Salaries As-Needed	0.33	(0.33)	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Travel	0.20	(0.20)	
Overtime Sworn	0.12	0.72	
Overspending (Shown as Negative, in millions)			
Salaries Sworn	(0.17)	0.17	Overspending is primarily due to costs associated with the agreement with the Los Angeles Police Protective League (LAPPL) and projected hiring.
Overtime General	(0.28)	0.28	Projected overspending is based on increased training costs for detention officers and security contractors.
Contractual Services	(0.44)	0.62	Projected overspending is based on year-to-date and prior-year expenditure trends and projected operational needs through year end.
Office and Administrative	(0.20)	0.20	
Special Funds Total	\$ 0.02	\$ 0.83	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 204.30	\$ 175.81	\$ (28.49)	Revenue shortfall is due to reduced MTA service levels and current usage, reduced permit and fee receipts, and lower Library and LAWA reimbursements due to reduced CAP rates.

The projected General Fund overspending is approximately \$31.19 million lower than previously reported in the Second FSR due to delays in hiring, reduced sworn hiring projections through year end based on year-to-date hiring trends, and a reduction in anticipated sworn overtime costs through year end. This Office projects that the recent agreement with the Los Angeles Police Protective League (LAPPL) will 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 driver of projected overspending for the Department. 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 is discussed in the Human Resources Benefits section of this FSR.

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. 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	\$ 2.67
Salaries Sworn	14.99
Overtime General	(1.18)
Overtime Sworn	(3.38)
Firearms Ammunition and Other Devices	1.13
Field Equipment Expense	(1.95)
Total	\$ 12.27

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

Sworn Hiring

From July 1, 2023, through December 31, 2023, the Department hired seven recruit classes for a total of 229 additional officers. The Department plans to hire 600 new recruits and 200 officers through the BOUNCE/Recall Program. Based on year-to-date hiring trends, our expenditure projections only assume the Department will hire 425 new recruits and 30 officers through the BOUNCE/Recall Program by year end. Officer attrition through December 2023 was 287 versus the 224 assumed in the Adopted Budget. Hiring through December 2023 is 54.5 percent lower than assumed in the Adopted Budget (229 actual hires versus 420 budgeted). As of December 31, 2023, there are 8,969 officers deployed Citywide, including 18 Municipal Police Officers.

This Office recommends the following transactions at this time:

- Transfer \$9,937,288 from the Unappropriated Balance, Police Department Hiring and Overtime Account to the Salaries Sworn Account to offset projected overspending.
- Transfer \$3,647,000 from the Unappropriated Balance, Police Department Hiring Bonus Account to the Salaries Sworn Account to offset projected overspending.
- Transfer \$46,415,712 from the Unappropriated Balance, Department Payroll Reconciliation Account to the Salaries Sworn (\$36,415,712) and the Overtime Sworn (\$10,000,000) accounts to offset projected overspending.
- Transfer \$1,350,000 from the Salaries General Account to the Overtime General Account to partially address projected overspending.
- Transfer \$1,500,000 from the Office and Administrative Account to the Contractual Services Account to complete the next phase of the new radio trunking system.
- Transfer \$200,000 from the Travel Account to the Office and Administrative Account within the Supplemental Law Enforcement Services Fund for Department's Air Support Division pilots to attend Flight Simulator Training. This funding was included in the Travel Account in the 2023-24 Adopted Budget for this purpose; however, these funds must be expended from the Office and Administrative Account.
- Transfer \$1,300,000 from the Printing and Binding (\$300,000), Firearms Ammunition Other Device (\$500,000), and Uniforms (\$500,000) accounts to the Field Equipment Expense Account to partially address a projected deficit as a result of increased automotive part costs associated with our aging fleet.
- Transfer a total of \$206,644 from the Ammunition Firearms Other Device Account to the General Services Department Salaries Construction (\$11,277) and Construction Materials (\$600) accounts, and the CTIEP Deferred Maintenance Projects Account (\$194,767) to modify bunk beds into side-by-side beds and replace porcelain sinks and toilets at Van Nuys Jail for safety enhancements.
- Transfer \$787,555 from the Salaries General (\$458,330) and the Salaries As-Needed (\$329,225) accounts within the Sewer Operations and Maintenance Fund to the Contractual Services (\$617,442), Salaries Sworn (\$164,298) and Overtime General (\$5,815) accounts to pay for contract security.
- Transfer \$84,004.96 from various accounts within the Police Department Grant funds as follows:

Grant Program	Amount
Active Bystandership Leadership Training	\$2,526.34
2022 DNA Capacity Enhancement/Backlog Reduction	\$30,629.00
2023 CTFGP Toxicology Crime Laboratories	\$10,000.00
2021 Targeted Violence and Terrorism Prevention	\$14,647.69
2022 Off Highway Motor Vehicle Recreation - Law Enforcement	\$6,593.41
2022 Body-Worn Camera - Digital Evidence Management	\$19,608.52
TOTAL	\$84,004.96

- Transfer \$715,514 from various accounts within the Forfeited Asset Trust Fund to the Department's Overtime Sworn Account for the Gang Intervention Program.
- Transfer \$276,816 from the Standards and Training for Corrections Program Fund to the Department's Overtime General Account to cover training for Detention Officers.

EE. Public Accountability
No Recommendation

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.741	\$ -	Projected surplus due to staff vacancies.
Contractual Services	0.601	-	Projected surpluses are based on year-to-date expenditure trends and projected operational needs through year end.
Other Surplus Accounts	0.035	-	
General Fund Total	\$ 1.377	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 6.58	\$ 3.30	\$ (3.28)	Projected revenue shortfall is due to staff vacancies and reduced expense account costs, which are fully reimbursed by the Department of Water and Power.

The projected General Fund surplus is approximately \$1.168 million higher than previously reported in the First FSR due to hiring delays and lower than anticipated contract expenditures. This Office does not recommend any transactions at this time.

**FF. Public Works/Board
Recommendation Nos. 24 and 25
Attachment 5 – Transfers between Departments and Funds**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.28	\$ -	Surplus due to staff vacancies and hiring delays.
Operating Supplies	0.18	-	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Other Surplus Accounts	0.12	-	
General Fund Total	\$ 0.58	\$ -	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.55	\$ (0.01)	Projected surplus is due to staff vacancies.
Contractual Services	9.17	0.07	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Other Surplus Accounts	0.12	-	
Special Funds Total	\$ 9.84	\$ 0.06	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 5.57	\$ 5.68	\$ 0.11	Projected revenue surplus is due to increased reimbursements from the Mayor's Fund LA and other funds.

The projected General Fund surplus is approximately \$0.51 million higher than previously reported in the First FSR due to delays in hiring and lower than anticipated operational expenses. In the First FSR we reported special fund overspending of \$1.45 million, however, we now project a special

fund surplus primarily due to recommendations of the First FSR and delays in hiring. While we project an overall Salaries General surplus across the Board’s special funds, this net surplus includes overspending in this account within Street Lighting Maintenance Assessment Fund, Homeless Housing, Hygiene, Assistance, and Prevention Program Round 3 Fund, Bridge Improvement Program Cash Flow Fund, and the Sixth Street Viaduct Replacement Fund. This Office will continue to work with the Board to monitor its expenditures and report in the Year-End FSR with recommendations necessary to address any overspending.

This Office recommends the following transactions at this time:

- Reduce 2023-24 appropriations in the amount of \$150,000 within the Sewer Operations and Maintenance Fund No. 760/50, Board of Public Works Account No. 50Y174 to align appropriations with projected spending.
- Reduce 2023-24 appropriations in the amount of \$150,000 within the Board of Public Works Fund No. 100/74, Salaries General Account No. 001010 to align appropriations with projected spending.
- Transfer \$10,000 from the Public Works Trust Fund to the General Fund for work completed on the Santa Monica Boulevard Alleys Project.

**GG. Public Works/Bureau of Contract Administration
Attachment 5 – Transfers between Departments and Funds**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.30	\$ -	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.50	-	Projected surpluses are based on year-to-date expenditure trends and projected operational needs through year end.
General Fund Total	\$ 1.80	\$ -	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 5.30	\$ (0.10)	Projected surplus is due to staff vacancies. Projected surpluses are based on year-to-date expenditure trends and projected operational needs through year end.
Transportation	0.42	-	
Other Surplus Accounts	0.58	(0.08)	
Special Funds Total	\$ 6.30	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 37.39	\$ 26.60	\$ (10.79)	Projected revenue shortfall is due to decreased service demand from proprietary departments and the inadvertent duplication of revenue in the 2023-24 Adopted Budget.

The projected General Fund surplus is approximately \$1.49 million lower than previously reported in the First FSR primarily due to higher than anticipated hiring for General Fund supported positions. The projected special fund surplus is approximately \$2.25 million higher than previously reported in the First FSR due to reduced special funded project expenditures.

This Office recommends the following transaction at this time:

- Transfer a total of \$180,000 from the Salaries General (\$100,000), Overtime General (\$50,000), and Transportation (\$30,000) accounts funded by the Sidewalk and Curb Repair Fund to the Sidewalk Repair Consulting Services Account for the Sidewalk Repair Program.

**HH. Public Works/Bureau of Engineering
Recommendation Nos. 26, 27, 28, 29 and 30**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.53	\$ -	Projected surplus is due to staff vacancies.
Office and Administrative	0.45	-	Projected surpluses are based on year-to-date expenditure trends and projected operational needs through year end.
Other Surplus Accounts	0.43	-	
General Fund Total	\$ 1.41	\$ -	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 5.19	\$ (7.87)	Projected surplus as a result of anticipated staff vacancies and hiring delays.
Overtime General	0.26	(0.02)	Projected surpluses are based on year-to-date expenditure trends and projected operational needs through year end.
Office and Administrative	0.55	(0.05)	
Operating Supplies	0.06	(0.01)	
Furniture, Office, and Technical Equipment	0.35	(0.15)	
Other Surplus Accounts	0.47	-	
Special Funds Total	\$ 6.88	\$ (8.10)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 62.13	\$ 59.86	\$ (2.27)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies.

The projected General Fund surplus is approximately \$0.40 million higher than previously reported in the Second FSR due to delays in hiring and lower than anticipated expenditures in several expense accounts. The projected special fund surplus is approximately \$1.50 million higher than previously reported in the Second FSR primarily due to delays in hiring.

This Office recommends the following transactions at this time:

- Reduce 2023-24 appropriations in the amount of \$200,000 within the Special Gas Tax Improvement Fund No. 41A/50, Bureau of Engineering Account No. 50Y178 to align appropriations with projected spending.
 - Reduce 2023-24 appropriations in the amount of \$120,000 within Bureau of Engineering Fund No. 100/78, Salaries General Account No. 001010 to align appropriations with projected spending.
 - Reduce 2023-24 appropriations in the amount of \$20,000 within Bureau of Engineering Fund No. 100/78, Overtime General Account No. 001090 to align appropriations with projected spending.
 - Reduce 2023-24 appropriations in the amount of \$50,000 within Bureau of Engineering Fund No. 100/78, Office and Administrative Account No. 006010 to align appropriations with projected spending.
 - Reduce 2023-24 appropriations in the amount of \$10,000 within Bureau of Engineering Fund No. 100/78, Operating Supplies Account No. 006020 to align appropriations with projected spending.
- Reduce 2023-24 appropriations in the amount of \$150,000 within the Street Damage Restoration Fee Fund No. 41A/50, Bureau of Engineering Account No. 50Y178 to align appropriations with projected spending.
 - Reduce 2023-24 appropriations in the amount of \$150,000 within Bureau of Engineering Fund No. 100/78, Salaries General Account No. 001010 to align appropriations with projected spending.
- Reduce 2023-24 appropriations in the amount of \$450,000 within the Sidewalk Repair Fund No. 57F/50, Bureau of Engineering Account No. 50Y178 to align appropriations with projected spending.
 - Reduce 2023-24 appropriations in the amount of \$450,000 within Bureau of Engineering Fund No. 100/78, Salaries General Account No. 001010 to align appropriations with projected spending.

- Reduce 2023-24 appropriations in the amount of \$300,000 within the Measure M Local Return Fund No. 59C/94, Bureau of Engineering Account No. 94Y178 to align appropriations with projected spending.
 - Reduce 2023-24 appropriations in the amount of \$300,000 within Bureau of Engineering Fund No. 100/78, Salaries General Account No. 001010 to align appropriations with projected spending.
- Reduce 2023-24 appropriations in the amount of \$7,000,000 within the Sewer Capital Fund No. 761/50, Bureau of Engineering Account No. 50Y178 to align appropriations with projected spending.
 - Reduce 2023-24 appropriations in the amount of \$7,000,000 within Bureau of Engineering Fund No. 100/78, Salaries General Account No. 001010 to align appropriations with projected spending.

II. Public Works/Bureau of Sanitation

Recommendation No. 31

Attachment 3 – New Appropriations

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 8.24	\$ (3.85)	Projected surplus is due to staff vacancies and hiring delays, resulting in the underutilization of hazardous waste cleaning contracts and operating supplies, and reduced field service.
Contractual Services	5.01	-	
Operating Supplies	1.03	-	
Field Equipment	0.79	(0.09)	
Other Surplus Accounts	0.46	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(0.89)	1.00	Projected overspending is due to increased staff overtime to maintain service levels in light of full-time vacancies.
General Fund Total	\$ 14.64	\$ (2.94)	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 29.33	\$ (9.67)	Projected surplus is due to staff vacancies.
Contractual Services	1.28	-	Projected surplus is due to delays in the execution of contracts and lower than anticipated contract expenditures.
Other Surplus Accounts	1.61	(0.08)	Projected surpluses are due to lower expenses associated with staff vacancies.
Overspending (Shown as Negative, in millions)			
Overtime General	(6.83)	7.58	Projected overspending is due to the increased use of as-needed staff and staff overtime to maintain service levels in light of full-time vacancies and to respond to adverse events.
Salaries As-Needed	(0.71)	1.25	
Hiring Hall Salaries	(0.22)	0.42	Projected overspending is due to the increased use of hiring hall staff for projects.
Special Funds Total	\$ 24.47	\$ (0.50)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year 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.

The projected General Fund surplus is approximately \$0.8 million higher than previously reported in the Second FSR primarily due to delayed hiring and lower than anticipated spending in the Contractual Services, Operating Supplies, and Field Equipment accounts. The projected special fund surplus is approximately \$2.66 million lower than previously reported in the Second FSR primarily due to increased spending in Salaries As-Needed and Hiring Hall Salaries accounts. This Office recommends transfers from the projected Salaries General surplus to partially address overspending in the Overtime General and Salaries As-Needed accounts, and to fully address the projected Hiring Hall Salaries overspending. This Office will continue to work with the Bureau to monitor its expense accounts and will include recommendations to address any remaining overspending in the Year-End FSR.

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 (Hyperion). Additional payments are anticipated before the end of the current fiscal year but have not been finalized at this time. Consultants are working with the Bureau to determine how these 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.

Solid Waste Resources Revenue Fund

This Office projects that the Solid Resources Fee (SRF), the largest source of revenue to the Solid Waste Resources Revenue Fund (SWRRF), will have a year-end shortfall of approximately \$20.5 million due to a 9.5 percent decrease in receipts. The SRF is collected by the Los Angeles Department of Water and Power along with sewer service, water, and electricity fees. The cause of the continued decrease in collections is yet to be determined. This Office will continue to monitor revenues from this fee and will provide updates and recommendations necessary to address the projected shortfall in the Year-End FSR.

In the First FSR, this Office additionally reported on concerns regarding RecyclA program litigation, rate increase needs, vacancies and related costs reconciliation, and Proposition O reimbursements. There are no major changes to report since the First FSR. This Office will report with any updates and potential impacts in future FSRs.

This Office recommends the following transactions at this time:

- Encumber the General City Purposes Fund No. 100/56, Account Nos. 000855 and 000856 balances appropriated for the Solid Waste Fee Lifeline Rate Program and Solid Waste Fee Reimbursement, respectively, to pay 2023-24 invoices.
- Transfer and appropriate \$126,653.28 from the GREENFiltration Project and prior-year Bureau of Sanitation accounts within the Environmental Affairs Trust Fund to the Bureau's Salaries As-Needed (\$109,653.28), Travel (\$9,000), Office and Administrative Expense (\$3,500), and Operating Supplies (\$4,500) accounts to support front-funding and reimbursement of expenditures related to the GREENFiltration Tree Planting and CleanCities grant-supported projects.
- Appropriate \$669,123 from the available cash balance in the Sewer Operations and Maintenance Fund (SCMO) to the Reimbursement of General Fund Costs Account within the SCMO to address projected increased related cost reimbursement needs related to the Bureau's Memorandum of Agreement with the Police Department for security services at the Bureau's water reclamation plants.
- Appropriate \$13,858,775.98 from the SCM Fund Damage Claims and Settlements receipts to the Sanitation Expense and Equipment Account within the SCMO to fund projected overexpenditures in chemical, permit, fee, and other operational expense costs at Hyperion, mainly due to continuing increases in chemical costs.

- Transfer \$720,000 from Salaries General Account to the Hiring Hall Salaries (\$620,000) and Benefits Hiring Hall (\$100,000) accounts within the Sewer Capital Fund (SCMC) to support construction projects at Hyperion.
- Transfer \$1,250,000 from the Salaries General Account to the Salaries As-Needed Account within SWRRF (\$100,000), SCMO (\$1,000,000), and SCMC (\$150,000) to maintain service levels and address projected over-expenditures.
- Transfer \$8,575,000 from the Salaries General Account to the Overtime General Account within SCMO (\$2,000,000), SWRRF (\$3,500,000), Stormwater Pollution Abatement Fund (SPA) (\$1,000,000), Multi-Family Bulky Item Fund (MBIF) (\$500,000), Citywide Recycling Trust Fund (CRTF) (\$500,000), Measure W Local Return Fund (MWLRF) (\$75,000), and General Fund (\$1,000,000) to address increased staff overtime costs to maintain service levels in light of the Bureau's high vacancy rate and storm-related activities.
- Transfer \$125,000 from the Salaries General Account to the Office and Administrative Account within SCMO (\$75,000), SCMC (\$10,000), SWRRF (\$20,000), SPA (\$10,000), CRTF (\$5,000), and MWLRF (\$5,000) for tuition reimbursement and office supply costs.
- Transfer \$2,579,197.65 from the Solid Waste Resources Revenue (SWRRF) Bonds 2015-A—Principal Account to the SWRRF Bonds 2013-A—Principal (\$1,641,618.57), SWRRF Bonds 2018-A—Principal (\$676,469.15), SWRRF Bonds 2018-A—Interest (\$134,165.57), and SWRRF Bonds 2023-A—Principal (\$126,944.36) accounts within SWRRF to balance necessary appropriations and comply with updated SWRRF Revenue Bond debt service payment schedules.
- Transfer a total of \$500,000 from the Hiring Hall Salaries (\$200,000) and Uniforms (\$300,000) accounts within the SWRRF to the Sanitation Expense and Equipment Account within SWRRF to address disposal (tip fee) overspending.
- Transfer \$2,848,907 from the Bureau's Salaries General Account within the General Fund to the Reimbursement from Other Funds Account within SWRRF to reimburse the fund for the purchase and use of vehicles for Clean Streets activities during 2017-18 (\$1,067,000) and the first and second quarter of 2019-20 (\$1,781,907).
- Transfer \$3,795 from the Bureau's General Fund Salaries General Account to the Police Department's Contractual Services Account for the Council District 2 Vehicle Recycling Pilot Program.
- Transfer \$89,725.67 from the Bureau's General Fund Field Equipment Expense Account to the Information Technology Agency's Communications Services Account to install security cameras at the Bureau's Washington Modular Building.

**JJ. Public Works/Bureau of Street Lighting
Recommendation No. 32**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.11	\$ -	Projected surplus is due to staff vacancies.
Overtime General	0.13	-	Projected surpluses based on the prior-year expenditure rates and anticipated operational needs through year end.
Hiring Hall Salaries	0.07	-	
Benefits Hiring Hall	0.04	-	
Operating Supplies	0.07	-	
General Fund Total	\$ 0.42	\$ -	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 7.00	\$ -	Surplus due to staff vacancies.
Operating Supplies	0.11	-	Projected surpluses based on the prior-year expenditure rate and anticipated operational needs through year end.
Contractual Services	0.24	-	
Other Surplus Accounts	0.06	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(0.44)	-	Projected overspending is due to expenses for work performed on off-budget projects that have yet to be reimbursed.
Hiring Hall Salaries	(0.56)	-	
Benefits Hiring Hall	(0.57)	-	
Street Lighting Improvements and Supplies	(0.03)	-	
Special Funds Total	\$ 5.81	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 23.79	\$ 16.45	\$ (7.34)	Projected revenue shortfall is primarily due to reduced prior-year related cost reimbursements (\$2.44 million) and the inability of the Street Lighting Maintenance and Assessment Fund to reimburse the General Fund for related costs for the remainder of the year due to a special fund revenue shortfall (\$4.84 million).

The projected General Fund surplus is substantially the same as the \$0.41 million surplus reported in the Second FSR. The projected special fund surplus is approximately \$5.09 million higher than previously reported in the Second FSR primarily due to delays in hiring. This Office anticipates that the projected special fund overspending in the Overtime General, Hiring Hall Salaries, Benefits Hiring Hall, Contractual Services, and Street Lighting Improvements and Supplies accounts will be fully addressed by transactions in the Third and Fourth Construction Projects reports.

Street Lighting Maintenance and Assessment Fund

This Office projects year-end revenue shortfall of \$19.19 million from the Street Lighting Maintenance and Assessment Special Fund (SLMAF) revenue budget of \$84.72 million. The shortfall is primarily driven by lower-than-expected rate of construction and lease fees from telecom companies for telecom co-location installations on street lighting poles. In addition, B-Permit and Engineering fee revenues are lagging behind prior year revenues. This shortfall is \$6.04 million higher than previously reported in the Second FSR due to updated assumptions for construction, lease payments, and reimbursements. To offset this shortfall in the current year, this Office is assuming \$19.19 million in funds comprised of:

- \$5.93 million year-end balance of SLMAF funds in BSL accounts;
- \$8.42 million from actual expenditures coming in lower than estimated for 2022-23, and;
- A reduction of \$4.84 million in Related Costs transferred from SLMAF to the General Fund. This is an increase in reduction of \$2.48 million than previously reported in the Second FSR.

In addition to the above assumptions, we recommend reducing appropriations totaling \$4.26 million from the SLMAF to align current-year appropriations with current-year revenues. This Office will continue to monitor the special fund shortfall and SLMAF receipts, and report in the Year-End FSR with recommendations necessary to address any remaining revenue shortfall.

This Office recommends the following transaction at this time:

- Authorize the Controller to reduce appropriations in the total amount of \$4,258,086.28 within the Street Lighting Maintenance Assessment Fund to align current-year appropriations with current-year revenues, as shown below:

Account	Account Name	Amount
50K453	LED Fixtures	\$ 0.88
50L453	LED Fixtures	603.91
50LLPP	Fleet Replacement	170,905.44
50M453	LED Fixtures	446,212.93
50NKFP	Riverside Drive Lighting Improvement Unit 1 CIP/STP	217,131.50
50NLPP	Fleet Replacement	394,932.96
50PLPP	Fleet Replacement	324,568.00
50RLOO	Assessment District Analysis	12.20
50RLPD	Ventura Blvd-Amigo Ave to Calhoun Ave (Vision Zero) STM/STP	12,240.40
50SLAA	High Voltage Conversion Program	807,213.93
50SLZA	Smart Nodes	73,813.64
50TLOO	Assessment District Analysis	206,000.00
50TLWB	NASA Grant Predicting What We Breathe	639,863.76
50TWSI	Watts Street Lighting Improvements-CD15	121,900.46
50VLIS	Street Lighting Improvements and Supplies	29.34
50VLPP	Fleet Replacement	3,675.00
50W184	Bureau of Street Lighting	675,367.64
50W421	Energy Conservation Assistance Loan Repayment	0.02
50WLIS	Street Lighting Improvements and Supplies	163,614.27
	Total	\$ 4,258,086.28

KK. Public Works/Bureau of Street Services
Recommendation Nos. 33, 34, and 35
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.08	\$ (0.80)	Projected surpluses are based on year-to-date expenditure trends and projected operational needs through year end.
Overtime General	0.89	-	
Benefits Hiring Hall	0.20	0.30	
Contractual Services	1.99	-	
Other Surplus Accounts	1.16	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Hiring Hall Salaries	(0.54)	0.50	Projected overspending is due to increased use of hiring hall staff to complete projects in light of full-time vacancies.
General Fund Total	\$ 4.78	\$ -	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 6.11	\$ (4.75)	Projected surplus due to staff vacancies.
Contractual Services	7.41	(4.00)	Projected surplus based on year-to-date and prior-year expenditure trends.
Other Surplus Accounts	2.95	-	Projected surpluses are based on year-to-date expenditure trends and projected operational needs through year end.
Overspending (Shown as Negative, in millions)			
Hiring Hall Salaries	(0.04)	-	Projected overspending is due to increased use of hiring hall staff to complete projects in light of full-time vacancies.
Office and Administrative	(0.18)	0.75	Projected overspending is based on year-to-date expenditure trends and projected operational needs through year end.
Operating Supplies	(0.60)	4.00	
Construction Expense	(4.00)	4.00	Projected overspending is due to continued inflationary increases to the cost of raw materials and other expenses.
Special Funds Total	\$ 11.65	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 81.77	\$ 78.51	\$ (3.26)	Projected revenue shortfall is primarily due to reduced building material permit fee receipts and reimbursements from the Metro Rail Project, and reduced related cost reimbursements associated with special funded vacancies.

The projected General Fund surplus is approximately \$0.61 million lower than previously reported in the Second FSR primarily due to hiring by the Bureau. The projected special fund surplus is approximately \$15.36 million lower than previously reported in the Second FSR primarily due to increased contract spending. This Office recommends using the projected General Fund Salaries General surplus to address projected General Fund overspending in the Hiring Hall Salaries and Benefits Hiring Hall accounts. This Office also recommends using the special fund Salaries General and Contractual Services surpluses to address special fund overspending in the Office and

Administrative, Operating Supplies, and Construction Expense accounts. This Office will continue to work with the Bureau to monitor Construction Expense spending and report in the Year-End FSR with recommendations to address any remaining overspending.

Due to a projected revenue shortfall in the Street Damage Restoration Fee Fund and Measure R Local Return Fund, this Office recommends appropriations reductions to align with actual projected expenditures and to prevent overspending in the fund.

This Office recommends the following transactions at this time:

- Reduce 2023-24 appropriations in the amount of \$7,236,694 within the Street Damage Restoration Fee Fund No 41A/50, Failed Street Reconstruction Account No. 50YC91 to align appropriations with projected spending.
- Reduce 2023-24 appropriations in the amount of \$1,329,091 within the Street Damage Restoration Fee Fund No 41A/50, Bike Lane Repair and Maintenance Account No. 50YVGI to align appropriations with projected spending.
- Reduce 2023-24 appropriations in the amount of \$217,659 within the Measure R Local Return Fund No. 51Q/94, Bicycle Lane Repair and Maintenance Account No. 94YM15 to align appropriations with projected spending.
- Transfer \$800,000 from the General Fund, Salaries General Account to the Hiring Hall Salaries (\$500,000) and Hiring Hall Benefits (\$300,000) accounts to address projected overspending.
- Transfer \$4,000,000 from the Street Damage Restoration Fee Fund, Salaries General (\$2,000,000) and Contractual Services (\$2,000,000) accounts to the Construction Expense Account to address projected overspending.
- Transfer \$2,750,000 from the Special Gas Tax Fund, Salaries General Account to the Office and Administrative (\$750,000) and Operating Supplies (\$2,000,000) accounts to address projected overspending.
- Transfer \$2,000,000 from the Measure M, Contractual Services Account to the Operating Supplies Account to address projected overspending.

LL. Recreation and Parks
No Recommendation

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 13.84	\$ -	Projected surplus is due to staff vacancies. The Department's vacancy rate is 24 percent as of December 2023.
Other Surplus Accounts	1.12	-	Projected surpluses in several expense accounts are based on prior-year and year-to-date expenditure trends and projected operational needs through year end.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.98)	-	Projected overspending is based on year-to-date expenditure trends, projected operational needs through year end, and inflationary impacts on supply purchases.
Operating Supplies	(1.20)	-	
Special Funds Total	\$ 12.79	\$ -	

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

The projected special fund surplus is approximately \$1 million higher than previously reported in the Second FSR due to delays in hiring and lower than anticipated spending in several expense accounts. The Department will use the projected Salaries General surplus to address projected overspending in the Salaries As-Needed and Operating Supplies accounts. This Office does not recommend any transactions at this time.

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, and Hubert H. Humphrey. The table below summarizes the status of enrollment at the centers opened since 2022:

Status of Open Child Care Centers

Center Name	Date Opened to the Public	Licensed Capacity	Actual Enrollment (Feb. 2024)	Available Enrollment Slots
Branford Child Care Center	8/15/2022	50	8	42
Downey Child Care Center	7/10/2023	44	12	32
Evergreen Child Care Center	7/10/2023	46	5	41
Hubert Humphrey Child Care Center	7/10/2023	52	6	46
Ira C. Massey Child Care Center	7/10/2023	30	4	26
Victory Valley Child Care Center	8/15/2022	50	5	45
Total		272	40	232

The soft opening of the Echo Park, Van Ness, and South Park Child Care Centers was delayed due to challenges recruiting qualified staff to support the operation of these centers. The Department estimates that the construction at the Banning Child Care Center will be completed in early 2025. The 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 (UB) for Child Care and Learning Centers, of which the Department will request a transfer in the Year-End FSR and will use this funding 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.

MM. Transportation
Recommendation Nos. 36 through 53
Attachment 3 – New Appropriations
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries As-Needed	0.59	-	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Other Surplus Accounts	0.31	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (2.67)	\$ -	Projected overspending is primarily due to the one-time cash payout to Coalition members that the Department states are not eligible to be funded by special funds.
Overtime General	(1.54)	2.74	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	(1.38)	-	Projected overspending is due to security services cost at the Department's facilities to protect the safety of employees and the public and property from vandalism (\$1 million) and parking citation processing costs (\$0.38 million).
General Fund Total	\$ (4.69)	\$ 2.74	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 17.62	\$ (9.27)	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.12	-	Projected surplus is based on prior-year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.23)	-	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	(0.03)	0.10	
Contractual Services	(1.20)	1.20	Projected overspending of \$1.2 million is related to providing services in support of the City's slurry seal and cape seal program.
Special Funds Total	\$ 16.28	\$ (7.98)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year FSR	Variance from Budget	Projection Basis
\$ 110.31	\$ 81.96	\$ (28.35)	Projected revenue shortfall is primarily due to reduced related cost reimbursements (\$18.5 million), Metro reimbursements (\$3.6 million), and reimbursements from other funds (\$5.3 million) associated with special funded vacancies.

While we projected a General Fund surplus of \$1.34 million in the First FSR, this Office now projects General Fund overspending of \$4.69 million primarily due to the one-time cash payout to Coalition members that the Department states is not eligible for special funding, increased security costs at the Department's facilities and increased staff overtime. The projected special fund surplus is approximately \$5.74 million higher than the previously reported in the First FSR primarily due to hiring delays. This Office is recommending a transfer of \$1.2 million in Proposition C salary savings to support the Slurry Seal and Cape Seal Program. This Office is also recommending a salary reduction of \$8.07 million in the following special funds to align appropriations with projected spending due to special fund vacancies: Measure M (\$1.5 million); Measure R (\$1.0 million); Proposition A (\$1.0 million); Proposition C (\$4.5 million); and Sidewalk Repair Fund (\$0.07). There will be no operational impact as a result of the reduction. With the approval of the recommendations in this FSR, the projected special fund surplus is \$6.30 million.

Special Fund Revenue Shortfalls

Based on actual receipts through January 2024, this Office projects a total year-end revenue shortfall of \$33.6 million for Measure R (\$14.2 million shortfall), Measure M (\$5.7 million shortfall), Proposition A Transit Assistance (\$7.5 million shortfall), and Proposition C Anti-Gridlock Transit (\$6.2 million). This Office will continue to monitor the revenue and provide an update at the next FSR. To partially offset the revenue shortfall, this Office recommends special fund appropriations reductions to various Public Works Bureaus, Department of Transportation, and General Services Department as a result of special fund vacancies. These are surplus funds after accounting for projected hiring and other expenditures through year end. The departments are provided with some flexibility since the full surplus amounts were not reduced. With the reduced funding for the Bureau of Contract Administration, construction and permit inspections may not be able to be conducted in a reasonable timeframe that may jeopardize public safety and affect the timeline of approvals for releases and clearances on projects. In addition, the Bureau will not be able to meet the goal of responding to inspection requests within 24 hours. It will also delay construction contract payments as Construction Inspectors must certify that all work is completed up to standard prior to signing off on the invoices.

The Measure M, Measure R, and Proposition C appropriations for the Department of Transportation fund staff to support various capital related projects, including grant-funded projects. Since the Department has vacancies in these special funds, the Department has to prioritize those projects that are critical, including those that are under strict grant deadlines. The Proposition A and Sidewalk Repair appropriation funds staff to support transit-related projects and sidewalk repair projects, respectively, and therefore, the Department has limited staff to support these projects. These reductions are necessary to ensure that there is sufficient cash to support the special fund appropriations for projects.

This Office recommends the following transactions at this time:

- Reduce 2023-24 appropriations to the Department of Transportation, Fund 100/94, Account No. 94Y194 Transportation (within Account No. 001010 Salaries General) by \$1,500,000 from the Measure M Local Return Fund No. 59C/94 due to projected revenue shortfall in the Fund.
- Reduce 2023-24 appropriations to the Bureau of Contract Administration, Fund 100/76, Account No. 94Y178 Bureau of Contract Administration (within Account No. 001010 Salaries General) by \$500,000 from the Measure M Local Return Fund No. 59C/94 due to projected revenue shortfall in the Fund.
- Reduce 2023-24 appropriations to the General Services Department, Fund 100/40, Account No. 94Y140 General Services (within Account No. 001010 Salaries General) by \$55,983 from the Measure M Local Return Fund No. 59C/94 due to projected revenue shortfall in the Fund.

- Reduce 2023-24 appropriations within the Measure M Local Return Fund No. 59C/94, Account No. 50Y299 Reimbursement of General Fund Costs by \$2,016,759 to account for staff vacancies.
- Reduce 2023-24 appropriations to the Department of Transportation, Fund 100/94, Account No. 94Y194 Transportation (within Account No. 001010 Salaries General) by \$1,000,000 from the Measure R Traffic Relief and Rail Expansion Fund No. 51Q/94 due to projected revenue shortfall in the Fund.
- Reduce 2023-24 appropriations to the General Services Department, Fund 100/40, Account No. 94Y140 General Services (within Account No. 001010 Salaries General) by \$30,163 from the Measure R Traffic Relief and Rail Expansion Fund No. 51Q/94 due to projected revenue shortfall in the Fund.
- Reduce 2023-24 appropriations within the Measure R Traffic Relief and Rail Expansion Fund No. 51Q/94, Account No. 50Y299 Reimbursement of General Fund Costs by \$1,046,455 to account for staff vacancies.
- Reduce 2023-24 appropriations to the Department of Transportation, Fund 100/94, Account No. 94Y194 Transportation (within Account No. 001010 Salaries General) by \$4,500,000 from the Proposition C Anti-Gridlock Transit Fund No. 540/94 due to projected revenue shortfall in the Fund.
- Reduce 2023-24 appropriations to the Bureau of Street Lighting, Fund 100/84, Account No. 94Y184 Bureau of Street Lighting (within Account No. 001010 Salaries General) by \$200,000 from the Proposition C Anti-Gridlock Transit Fund No. 540/94 due to projected revenue shortfall in the Fund.
- Reduce 2023-24 appropriations to the Bureau of Contract Administration, Fund 100/76, Account No. 94Y176 Bureau of Contract Administration (within Account No. 001010 Salaries General) by \$800,000 from the Proposition C Anti-Gridlock Transit Fund No. 540/94 due to projected revenue shortfall in the Fund.
- Reduce 2023-24 appropriations to the General Services Department, Fund 100/40, Account No. 94Y140 General Services (within Account No. 001010 Salaries General) by \$10,793 from the Proposition C Anti-Gridlock Transit Fund No. 540/94 due to projected revenue shortfall in the Fund.
- Reduce 2023-24 appropriations within the Proposition C Anti-Gridlock Transit Fund No. 540/94, Account No. 50Y299 Reimbursement of General Fund Costs by \$5,445,263 to account for staff vacancies.
- Reduce 2023-24 appropriations to the Department of Transportation, Fund 100/94, Account No. 94Y194 Transportation (within Account No. 001010 Salaries General) by \$1,000,000

from the Proposition A Local Transit Assistance Fund No. 540/94 due to projected revenue shortfall in the Fund.

- Reduce 2023-24 appropriations within the Proposition A Local Transit Assistance Fund No. 385/94, Account No. 50Y299 Reimbursement of General Fund Costs by \$1,021,100 to account for staff vacancies.
- Appropriate \$29,187.85 from the Neighborhood Traffic Management Fund to the Department's Overtime General Account for overtime staff costs for the Paseo Plaza (\$23,021.81) and Avalon Bay (\$6,166.04) projects.
- Appropriate \$66,375.40 from the Warner Center Transportation Improvement Trust Fund to the Department's Overtime General Account for overtime staff costs for the Warner Center Intersections Improvements.
- Appropriate \$2,743,481.20 from the Department of Transportation Trust Fund to the Department's Overtime General Account for overtime staff costs related to Dodger Stadium (\$13,863.97) and special event traffic control services (\$2,729,617.23).
- Transfer \$1,200,000 from the Department's Salaries General Account (Proposition C Anti-Gridlock Transit Improvement Fund) to the Department's Contractual Services Account for the Slurry Seal and Cape Seal Program.

Review of Prior-Year Special Fund Appropriations

On an annual basis, this Office conducts a review of prior-year appropriations to determine the amounts that are no longer needed due to one of the following reasons: 1) project has been completed; 2) project has been canceled; 3) funding was provided in the current budget (2023-24 Adopted Budget) for the same purpose; or 4) funds were reprogrammed through Council and Mayor action to adopt the 2023-24 Adopted Budget and therefore, the appropriation amount should be zero. In order to close out these appropriations, this Office is recommending reductions to prior year special fund appropriations as provided in Attachment 10. These reductions will have no impact on the department or the projects since these funds are no longer necessary for the intended purpose.

This Office recommends the following transactions at this time:

- Reduce appropriations in the amount of \$18,992,451 within the Measure R Local Return Fund No. 51Q/94 as specified in Attachment 10.
- Reduce appropriations in the amount of \$29,751,620 within the Measure M Local Return Fund No. 59C/94 as specified in Attachment 10.
- Reduce appropriations in the amount of \$52,879,617 within the Proposition C Anti-Gridlock Transit Improvement Fund No. 340/94 as specified in Attachment 10.

- Reduce appropriations in the amount of \$110,204,898.69 within the Proposition A Local Transit Assistance Fund No. 385/94 as specified in Attachment 10.

NN. Youth Development
No Recommendation

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.262	\$ -	Projected surplus is due to staff vacancies and hiring delays. The Departmental vacancy rate is 22 percent as of December 2023.
Salaries As-Needed	0.028	-	Projected surplus is due to funds budgeted in the Salaries As-Needed Account which are expected to be expended from the Salaries General Account.
Contractual Services	0.294	-	Projected surplus is based on prior-year and year-to-date expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(0.001)	-	Projected overspending is based on prior-year and year-to-date expenditure trends.
Office and Administrative	(0.006)	-	
General Fund Total	\$ 0.577	\$ -	

Special Funds			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.184	\$ -	Projected surplus is due to staff vacancies.
Special Funds Total	\$ 0.184	\$ -	

The projected surplus is approximately \$0.024 million higher than previously reported in the Second FSR due to hiring delays. 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 expenditures and report in the Year-End FSR to address any remaining overspending. The Department has no budgeted General Fund revenues. This Office does not recommend any transfers at this time.

Californians for All Youth Workforce Development Grant

As previously reported, the Department is responsible for overseeing the evaluation component of the Californians for All Youth Workforce Development (CA4All) Grant, a multi-year and cost-reimbursement grant awarded by the State of California, for which the Economic and Workforce Development Department (EWDD) is the administrator (C.F. 22-0014). The original grant term was April 14, 2022 through May 1, 2024, which has been extended to September 30, 2024. Due to delays in grant reimbursements from the State to EWDD, the Council approved a \$4.5 million Reserve Fund loan for EWDD to avoid cash flow and service disruptions related to the CA4All grant (C.F. 22-0683-S2). Subsequently, the Council approved a second Reserve Fund loan of \$10 million for the same purpose (C.F. 23-1073), to be repaid at the end of the grant and upon receipt of full reimbursement from the State. As of December 31, 2023, EWDD has not yet issued reimbursements to the Department for 2022-23 and 2023-24 grant expenditures due to this situation. As a result, the General Fund has paid \$117,002 for the Department’s 2022-23 grant expenditures as reported on its revised Reversion Worksheet. EWDD has notified the Department that reimbursements for 2022-23 and 2023-24 expenditures are being processed. When EWDD reimburses the Department’s 2022-23 grant expenditures, the 2022-23 funds paid by the General Fund will be transferred to the Reserve Fund.

OO. Zoo
No Recommendation

Special Funds			
Account Name	Third FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries, General	\$ 1.064	\$ -	Projected surplus due to staff vacancies. The Department has a 14 percent vacancy rate.
Salaries, As-Needed	0.451	-	Projected surplus due to program closures, hiring delays, and attrition.
Printing and Binding	0.058	-	Projected surpluses based on year-to-date and prior-year expenditure trends, and projected operational needs through year-end.
Contractual Services	0.156	-	
Veterinary Supplies and Expense	0.170	-	
Feed and Grain	0.295	-	
Office and Administrative	0.094	-	
Operating Supplies	0.034	-	
Special Funds Total	\$ 2.322	\$ -	

The projected special fund surplus is approximately \$1.187 million higher than previously reported in the Second FSR primarily due to delays in hiring, attrition, and program closures that have not restarted since the pandemic. This Office does not recommend any transactions at this time.

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 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 was approved by City Council on October 24, 2023 (C.F. 23-1128). Funds are available in the Unappropriated Balance, Zoo Assessment Account (\$1.5 million) to address potential transition costs. 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.

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
Attachment 6 – Appropriations from the Unappropriated Balance**

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
County Service-Massage Parlor Regulation	\$ 0.03	\$ -	Projected surplus is based on prior-year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Medicare Contributions	(5.52)	-	Projected overspending is due to increased Citywide hiring and unbudgeted salary increases. Projections may be significantly impacted depending on the outcome of the ongoing contract labor negotiations.
Pensions Savings Plans	(0.18)	-	Projected overspending is due to higher-than-anticipated hiring, leading to increased contributions. Projections may be impacted depending on the outcome of the ongoing contract labor negotiations.
Social Security Contributions	(0.16)	-	Projected overspending due to higher-than-anticipated hiring and salaries, leading to increased contributions. Contributions will likely fluctuate throughout the year.
LA's Best	(1.45)	-	Projected overspending is due to delays in executing prior-year agreements and the resulting use of current year funds to pay for those prior-year agreements' costs.
International Visitors Council of Los Angeles	(0.04)	-	
Los Angeles Neighborhood Land Trust	(0.04)	-	
General Fund Total	\$ (7.36)	\$ -	

This Office projects overspending in General City Purposes of \$7.36 million, which exceeds the \$5.40 million in overspending that we reported in the Second FSR by \$1.96 million due to our

projected Medicare overspending estimate increasing by \$2.05 million from \$3.47 million to \$5.52 million. This increase is offset by slightly lower overspending projections from the Pensions Savings Plans (\$0.05 million) and Social Security Contributions (\$0.04 million) accounts. The increase in Medicare overspending is due to the actual growth in average wages exceeding our prior projections and our assumption that this higher level will continue going forward. The Medicare Contributions and Pension Savings Plan accounts' overspending is at risk of growing above current projections in the case that the City agrees to new civilian labor agreements, all of which expired in December 2023, that include compensation adjustments during this fiscal year. Based on our cash flow analysis, all three payroll accounts will fully expend their current appropriation prior to the consideration and approval of the Year-End FSR. Therefore, we recommend the transactions below to partially address the projected overspending, recognizing that additional transfers may be necessary in the Year-End FSR.

We completed the projections on these accounts using data prior to the implementation of the Prioritized Critical Hiring process, which is intended to limit civilian hiring. We do not expect that this process will significantly impact the Pension Savings Plan or Social Security overspending. It may reduce the Medicare overspending. We will report with updated spending in the Year-End FSR.

In addition, the City Clerk intends to execute contracts and make payments for LA's Best (\$1,449,777), the International Visitors' Council (\$40,000), and LA Neighborhood Land Trust (\$40,500) prior to the consideration of the Year-End FSR. Insofar as, at this Office's instruction, the Clerk used the 2023-24 appropriation for these contracts to pay prior-year invoices, we now recommend transferring funds to these accounts to pay 2023-24 invoices.

This Office recommends the following transactions at this time:

- Transfer \$4,000,000 from the Unappropriated Balance, Payroll Reconciliation Account to the Medicare Contributions Account.
- Transfer \$100,000 from the Unappropriated Balance, Payroll Reconciliation Account to the Social Security Contributions Account.
- Transfer \$125,000 from the Unappropriated Balance, Payroll Reconciliation Account to the Pensions Savings Plans Account.
- Transfer \$1,449,777 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the LA's Best Account.
- Transfer \$40,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the International Visitors' Council Account.
- Transfer \$40,500 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the LA Neighborhood Land Trust Account.

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 March 6, 2024, the Mayor and City Council have approved transactions resulting in a net decrease of \$61.4 million, leaving a balance of \$235.7 million in the UB.

The transactions in the Second FSR left the Reserve for Mid-Year Adjustments Account with a balance of \$4.0 million. This report includes recommendations to transfer \$86.6 million from the Reserve Fund and \$13.8 million in savings from other departments and funds to the Reserve for Mid-Year Adjustments Account, to replenish the account for a total available balance of \$104.4 million.

The transactions recommended in this report address several departments' overspending and unfunded expenditures that not only depletes these accounts, but also uses \$50.6 million from the Department Payroll Reconciliation Account. As described in Table 3, this Office projects a remaining \$87.37 million in overspending that may require additional transfers in the Year-End FSR. For this reason, this Office recommends preserving the remaining balance in the Department Payroll Reconciliation Account (\$22.4 million) for budget balancing at year-end.

In addition, this report also includes recommendations to transfer \$18.8 million from various UB accounts for a net decrease of \$73.4 million. This leaves a remaining balance of approximately \$162.3 million.

This Office recommends the following transactions at this time:

- Transfer \$86,631,482.98 from the Reserve Fund to the UB, Reserve for Mid-Year Adjustments Account.
- Transfer \$12,672,139 in savings within the Tax and Revenue Anticipation Notes Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer a total of \$719,655 in savings within various accounts in the Capital Finance Administration Fund to the Unappropriated Balance, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.
- Transfer \$460,000 from the Council's Contractual Services Account to the Unappropriated Balance, Reserve for Mid-Year Adjustments Account for Citywide budget balancing.

- Transfer \$277,048 from the UB, Animal Services Operations Account to the Animal Services for additional staffing support at animal services shelters.
- Transfer \$1,271,726 from the UB, Unarmed Crisis Response Account to the Office of the City Administrative Officer for Unarmed Model of Crisis Response contractors.
- Transfer \$2,500,000 from the UB, Reserve for Mid-Year Adjustments Account to the City Attorney's Litigation Account to address projected overspending for litigation expenses.
- Transfer \$3,840,000 from the UB, Reserve for Mid-Year Adjustments Account to the City Attorney's Outside Counsel Account for expenses related to the various cases, including police protest cases.
- Transfer \$1,763,293 from the UB, Equipment, Expenses, and Alterations and Improvements Account to the Council to align with current expenditures.
- Transfer \$3 million from the UB, Reserve for Mid-Year Adjustments Account to the General Services Department's Petroleum Products Account to address overspending due to rising commodity prices.
- Transfer \$2 million from the UB, Reserve for Mid-Year Adjustments Account to the General Services Department's Field Equipment Expense Account to address overspending associated with maintenance of aging fleet vehicles.
- Transfer \$1,881,432 from the UB, Equipment, Expenses, and Alterations and Improvements Account to the Mayor to align with current expenditures.
- Transfer \$9,937,288 from the UB, Police Department Hiring and Overtime Account to the Police's Salaries Sworn Account to address projected overspending related to labor agreements.
- Transfer \$3,647,000 from the UB, Police Department Hiring Bonus Account to the Police's Salaries Sworn Account to address projected overspending related to labor agreements.
- Transfer \$46,415,712 from the UB, Department Payroll Reconciliation Account to the Police's Salaries Sworn (\$36,415,712) and Overtime Sworn (\$10,000,000) accounts to address projected overspending related to labor agreements.
- Transfer \$4 million from the UB, Department Payroll Reconciliation Account to the General City Purposes' Medicare Contributions Account.
- Transfer \$100,000 from the UB, Department Payroll Reconciliation Account to the General City Purposes' Social Security Contributions Account.

- Transfer \$125,000 from the UB, Department Payroll Reconciliation Account to the General City Purposes' Pensions Savings Plans Account.
- Transfer \$1,449,777 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the General City Purposes' LA's Best Account.
- Transfer \$40,000 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the General City Purposes' International Visitors' Council Account.
- Transfer \$40,500 from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the General City Purposes' LA Neighborhood Land Trust Account.
- Transfer \$91,570,000 from the UB, Reserve for Mid-Year Adjustments Account to the Liability Claims Account, Miscellaneous Liability Payouts Account for anticipated settlements.

C. Human Resources Benefits
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	Mid-Year FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Contractual Services	1.03	(1.03)	Surplus is due to lower than budgeted workers' compensation utilization review expenditures, workers' compensation contract credits resulting from errors/omissions and staffing, and budgeted funding aligning with contract compensation terms.
Fire Health and Welfare Program	0.28	-	Surplus is due to the overall impact of lower than projected health plan rate increases than assumed in the adopted budget: <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 – 0.00% premium rate increase vs. 4.0% assumed • UFLAC High Deductible Health Plan – 0.00% premium rate increase vs. 5.0% assumed
<i>Overspending (Shown as Negative, in millions)</i>			
Employee Assistance Program	(0.03)	-	Overspending is due to changes in civilian enrollment.
Civilian Flex Program	(2.74)	-	
Police Health and Welfare Program	(0.90)	-	Overspending is 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
Workers' Compensation/ Rehabilitation	(3.67)	1.03	Overspending is due to higher than assumed benefit payments and liens.
General Fund Total	\$ (6.03)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	Mid-Year 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.

The projected overspending is approximately \$5.01 million higher than previously reported in the Second FSR primarily due to increased Workers' Compensation/Rehabilitation spending associated with higher than assumed benefit payments and liens and increased civilian enrollment in the Civilian Flex Program. Our projections are still subject to potentially significant expenditure fluctuations by year end due to staff attrition and hiring, as well as workers' compensation claims. This Office recommends transferring \$1.03 million from the surplus in its Contractual Services Account to partially offset the projected Workers' Compensation Account overspending. This Office and the Personnel Department will continue to monitor the status of this Fund and report in the Year-End FSR.

This Office recommends the following transaction at this time:

- Transfer \$1,032,000 from the Contractual Services Account to the Workers' Compensation/Rehabilitation Account to partially offset projected overspending.

**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 was 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. This supplemental amount was transferred into the Liability Claims Account in the Second Financial Status Report, providing a total available amount of \$107.37 million for Liability Payouts in 2023-24.

As of February 28, 2024, \$94.6 million of the \$107.37 million has been expended from the Liability Claims Account. Including an additional \$32.36 million pending payment, the total committed amount is \$126.93 million. This results in General Fund overspending of \$21.59 million and a special fund surplus of \$2.02 million. Additionally, based on the current rate of payouts pending Council approval (\$69.5 million), and pending final report (\$1.2 million), we project General Fund overspending of approximately \$91.57 million and a Special Fund surplus of \$1.30 million. Based on our review of cases with payouts pending Council approval and cases that have been approved but not paid, this Office recommends a transfer of \$91.57 million from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to address the projected overspending.

This Office recommends the following transaction at this time:

- Transfer \$91.57 million from the UB, Reserve for Mid-Year Adjustments Account to the Liability Claims Fund, Miscellaneous Liability Payouts Account for anticipated settlements.

3. STATUS OF EMPLOYMENT

Attachment 9 – Employment Level Report

Citywide employment authority from all funding sources totaled 39,509 at the end of December for both civilian and sworn classes. There are 32,261 filled positions at the end of December. Departments reported a total of 7,248 vacant positions: 4,443 General Fund and 2,805 special funded.

4. STATE BUDGET

No Recommendation

On January 10, 2024, Governor Newsom presented his 2024-25 Proposed Budget, which projects a \$37.9 billion budget gap and proposes drawing down funds from the state's reserves (\$13.1 billion), budget reductions (\$8.5 billion), funding shifts from the General Fund (\$3.4 billion), delays in spending (\$5.1 billion), deferrals (\$2.1 billion), and revenue generation and borrowing (\$5.7 billion) to address the projected budget gap. The Budget also includes withdrawals from the Public School System Stabilization Account of \$5.7 billion to maintain support for Local Educational Agencies and Community College Districts. We identify the budget proposals with potential impacts to the City below:

Crime

The Budget provides funding of \$373.5 million over four years to enhance local law enforcement efforts to address retail theft and other crimes, including support for the implementation of anti-theft task forces and improvement of emergency response times.

Homelessness

The Budget maintains funding of \$3.4 billion to address homelessness, including \$400 million for the third round of encampment resolution grants and \$1 billion for the fifth round of Homeless Housing, Assistance and Prevention (HHAP) grants. The Budget includes the transition of specified homelessness grant programs from the California Interagency Council on Homelessness to the Department of Housing and Community Development, per (AB 129).

Libraries

The Budget proposes to pull back \$131.3 million of the \$439 million in one-time General Fund support provided for the Local Library Infrastructure Grant Program in the 2021 Budget Act. It also proposes to forgo planned one-time General Fund investments of \$33 million in 2024-25, \$33 million in 2025-26, and \$34 million in 2026-27. The Budget further proposes to pull-back \$34 million of the \$35 million provided to expand broadband access to isolated and under-served communities

through a collaborative partnership of local education agencies and regional libraries due to low participation in the program.

Housing

The Budget proposes the delay of \$260 million in General Fund HHAP funding to 2025-26 to more appropriately align with when those funds will be available to applicants. The budget also includes a shift of \$265 million from the Mental Health Services Fund appropriated in the 2023 Budget Act to the General Fund in 2024-25 due to lower-than-projected Mental Health Services Act revenues and a delay of \$235 million General Fund originally planned for 2024-25 to 2025-26

The Governor will release his revised budget in May 2024. This Office will continue to monitor the State budget and will provide a status update in the Year-End FSR.

5. AMERICAN RESCUE PLAN ACT – STATE AND LOCAL FISCAL RECOVERY FUNDS

No Recommendation

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. On May 18, 2021, the City received the first tranche of SLFRF totaling \$639,450,464. The City moved the first tranche of SLFRF funding into the General Fund revenue, which allowed the City to balance the 2020-21 General Fund budget without drawing on reserves or deficit borrowing. The City received the second tranche of SLFRF of \$639,450,464 on June 3, 2022. The 2021-22 Budget also treated those funds as General Fund revenue.

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 submitted the eighth quarterly Project and Expenditures Report by the January 31, 2024, due date. The purpose of this report is to identify actual and obligated spending. In the report, the CAO identified eligible spending of approximately \$4.7 million from October 1, 2023, through December 31, 2023 and total spending of approximately \$1.189 billion to date.

The status of the SLFRF as of January 2024 is provided in the following table:

Total SLFRF Award (amounts in millions)	\$ 1,278.90	
SLFRF Expenditures by Type as of 01/24	Totals	% of total SLFRF Award
Government Services Expenditures	\$ 1,091.82	85.4%
"Stand Alone Project" Expenditures	97.39	7.6%
Total Expenditures Reported	\$ 1,189.21	93.0%
Unexpended SLFRF as of 01/24	Totals	% of total SLFRF Award
Budgeted SLFRF Allocated to Stand-Alone Projects	\$ 89.19	7.0%
Unbudgeted SLFRF Allocated to Government Services	0.5	0.0%
Total SLFRF Remaining Balance	\$ 89.69	7.0%

As previously reported in the First and Second FSRs, the CAO's Office needed to identify approximately \$1.35 million to continue its consultant services contract with KPMG. Since the release of the Second FSR, the CAO's Office has been able to identify funds to continue this contract. The CAO will be reallocating existing Contractual Services funding budgeted for homeless outreach which is not anticipated to be expended in the current fiscal year, to fund the contract with KPMG for American Rescue Plan Act consultant services (\$1.1 million). Additionally, the Second FSR contained a transfer of \$250,000 to the CAO's Contractual Services Account to fund the KPMG consultant services contract. Both of these funding sources will eliminate the funding shortfall to continue its consultant services contract with KPMG.

6. Status of MICLA Commercial Paper Programs No Recommendation

The City's Financial Policies instruct this Office to periodically report on the status of Municipal Improvement Corporation of Los Angeles (MICLA) Commercial Paper (CP) programs. The City has two MICLA CP programs, the general MICLA CP Program authorized for up to \$425 million and the MICLA Los Angeles Convention Center (LACC) CP Program authorized for up to \$100 million. Since the establishment of the MICLA CP programs, the Mayor and City Council have allocated MICLA CP to finance and refinance the acquisition, construction, and capital improvement of the LACC and various City facilities, and for the acquisition of capital equipment and vehicles for City departments. The MICLA CP programs allow the City to access the financial markets quickly to obtain flexible, short-term maturities, and to borrow at favorable rates. Commercial paper notes are short-term obligations with maturities ranging from 1 to 270 days.

The MICLA CP programs are secured by direct-pay letters of credit (LOCs) from three commercial banks. Below are the range of interest rates and the total amount of outstanding notes by CP program as of February 1, 2024.

Program	Reporting Period	Interest Range	Amount Outstanding
MICLA CP (Tax-Exempt)	1/1/23 through 2/1/24	2.40% - 3.40%	\$ 140,257,000
MICLA CP (Taxable)		3.95% - 5.52%	6,000,000
MICLA LACC CP (Taxable)		4.30% - 5.57%	19,700,000
		Total	\$ 165,957,000

7. Status of Los Angeles Convention Center (LACC) Expansion Project Recommendation No. 22

On February 28, 2024, the Council directed this Office to identify funds within the Los Angeles Convention Center's MICLA Commercial Paper Program required to complete a requested analysis of the Los Angeles Convention Center Expansion Project (Project), and include the appropriate transaction recommendations as part of a subsequent Financial Status Report or Construction Project Report (C.F. 15-1207-S1). This Office recommends the authorization of up to \$500,000 in additional funds to complete an updated financial analysis of the Project pursuant to the Council's direction.

This Office recommends the following transaction at this time:

- Authorize a total of \$500,000 in MICLA Commercial Paper Program (Los Angeles Convention Center) for additional financial advisory services related to the Los Angeles Convention Center Expansion Project.



Nicholas S. Campbell, Finance Specialist IV

APPROVED:

Ben Ceja, Assistant City Administrative Officer

MWS:BC:JWW:NSC:01240043C

Attachments

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

	Adopted Budget	Plan Through January	Receipts Through January	Receipts as Percent of Budget	Variance from Plan	Comments on Variance from September Plan
Property Tax	\$2,640,250	\$1,411,496	\$1,410,286	53.4%	(\$1,210)	The County Assessor's estimated growth in assessed value is 5.9%. The largest shortfalls are in secured (-\$5.9m) and supplemental (-\$2.3m) property taxes, which are offset by net positive variances in other receipts. The total property tax shortfall has increased to -\$10.6m with February receipts, not reflected in this table,
Property Tax Ex-CRA Inc.	143,730	53,031	47,001	0	(6,030)	Shortfall attributed to declining real estate sales volume and prices.
Utility Users' Tax*	650,490	388,740	<u>395,047</u>	60.7%	6,307	After including \$32.5m in LATax receipts not yet recorded in FMS, utility user receipts are approximately \$13.1m and \$0.1m above plan for electricity and communication users taxes, respectively. Reducing this surplus is -\$6.9m in lower gas users tax receipts.
Department receipts (LPFF and reimbursements)	1,363,324	643,268	575,928	42.2%	(67,340)	Related costs and other reimbursements from special funds, MTA and other sources are delayed and thus -\$72.5m below plan. Offsetting the shortfall are \$39.0m in early and unanticipated receipts. Approximately \$15m in unanticipated receipts represent pending appropriations.
Business Tax*	847,200	163,985	<u>128,080</u>	15.1%	(35,905)	After including \$44.4m in LATax receipts not yet recorded in FMS, business tax receipts are approximately -\$32.0m and -\$3.9m below plan from non-cannabis and cannabis-related business activity, respectively.
Sales Tax	724,230	426,920	397,788	54.9%	(29,132)	Receipts through January are 5.6% below receipts from the prior year. The shortfall has increased to \$32.3m with February receipts, not reflected in this table, which is 6.0% below the prior year.
Documentary Transfer Tax	198,610	120,270	91,016	45.8%	(29,254)	The adopted budget assumed that declining sale prices would coincide with a gradual recovery in sales. However sales activity has fallen below the low seen during the real estate market bust.
Power Revenue Transfer	236,502	-	-	-	-	DWP's budgeted transfer is \$6.8m higher than the adopted budget.
Transient Occupancy Tax*	342,430	199,580	<u>184,696</u>	53.9%	(14,884)	Amount includes \$47.8m in LATax receipts not yet recorded in FMS and shortfall is attributed to hotel receipts.
Parking Fines	115,000	67,740	62,807	54.6%	(4,933)	Monthly ticket issuance has remained flat whereas the budget assumed approximately 6.2% growth.
Parking Occupancy Tax*	129,195	75,610	<u>75,576</u>	58.5%	(34)	Receipts are near plan.
Franchise Income	137,810	63,301	63,852	46.3%	551	Surplus is primarily attributed to natural gas franchise receipts (\$4.5m) offsetting shortfalls in solid waste collection (-\$2.8m) and cable television (-\$2.8m) franchise revenue
State Motor Vehicle License Fees	3,994	-	-	-	-	
Grant Receipts	109,193	7,425	6,355	5.8%	(1,070)	The shortfall is attributed to departmental grant receipts. The budget includes \$80.4 million in FEMA reimbursements for which the timing is difficult to predict.
Tobacco Settlement	10,710	-	-	-	-	
Residential Development Tax	4,910	2,864	2,466	50.2%	(398)	Monthly receipts are variable and near plan.
Special Parking Revenue Transfer	32,388	-	-	-	-	
Subtotal General Fund	\$7,689,966	\$3,624,230	\$3,440,899	44.7%	(\$183,331)	
Interest Income	77,000	61,027	57,383	74.5%	(3,644)	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	136,370	136,370	100.0%	-	
Total General Fund	\$7,903,336	\$3,821,627	\$3,634,651	46.0%	(\$186,976)	

*Adjusted for estimated receipts in LATax, but not recorded in FMS

**ATTACHMENT 2
STATUS OF RESERVE FUND AS OF 03/06/24**

Council File No.	Item Description	Amount
Balance Available, 7/1/2023		\$ 648,275,649.98
Less: Emergency Reserve Account		<u>\$ 217,342,000.00</u>
Contingency Reserve Account 7/1/2023		\$ 430,933,649.98
General Fund Appropriation to the Reserve Fund		-
 Loan Repayment and Other Receipts		33,007,536.97
Contingency Reserve Account		<u>\$ 463,941,186.95</u>
Loans and Transfers Approved to Date		
23-0038	House LA Fund for Measure ULA	-
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)
23-1073	CAForALL Youth Workforce Development Grant Loan	(10,000,000.00)
23-1191	Bureau of Street Services - Median Maintenance	(49,231.00)
First FSR	GCP - Sister Cities of LA - Reappropriation	(160,000.00)
First FSR	Rescind transfer - Gang Injunction Curfew Settlement Fund	5,023,480.00
CAO Memo	City Tourism Department - Los Angeles Tourism and Convention Board	(6,021,991.07)
20-0313-S10	Human Resources and Payroll Project Phase 2 Implementation	(10,961,924.00)
23-0321-S1	Skid Row Housing Trust Receivership Properties HCID Loan	(14,500,000.00)
23-1306	2023-24 Juvenile Justice Crime Prevention Act Grant Loan	(225,000.00)
23-0604	Leasing Account - Gas Company Tower Lease	(21,350,000.00)
23-1320	Proposition 47 Grant Loan - Project Impact	(400,000.00)
23-1320	CalTrans Grant Loan - 2022-25 New Roads Program	(560,000.00)
Loans and Transfers Approved to Date Subtotal		\$ (102,618,705.48)
Proposed Loans and Transfers		
Year-End FSR	Unappropriated Balance, Reserve for Mid-Year Adjustments	(86,631,482.98)
Proposed Loans and Transfers Subtotal		\$ (86,631,482.98)
Contingency Reserve Available Balance as of 3/6/2024		<u><u>\$ 274,690,998.49</u></u>
Total Emergency and Contingency Reserve Fund		<u><u>\$ 492,032,998.49</u></u>

ATTACHMENT 3
FY 2023-24 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Aging <i>CDBG 49th PY Consolidated Plan (C.F. 22-1205-S1)</i>	<u>Fund 424/21, Community Development Trust Fund</u> 21Y420, Aging Services Delivery System	\$ 582,800.00	<u>Fund 42J/02, Senior Human Services Program Fund</u> 02Y102, Aging 02Y332, EARS 02Y340, Evidence Based Programs	\$ 112,199.00 172,154.00 298,447.00
			Subtotal	\$ 582,800.00
	<u>Fund 42J/02, Senior Human Services Program Fund</u> 02Y102, Aging	\$ 112,199.00	<u>Fund 100/02, Aging (Fund 42J/02, 02Y102)</u> 001010, Salaries General 001070, Salaries As-Needed 002120, Printing and Binding 003040, Contractual Services 006010, Office and Administrative	\$ 84,936.00 7,000.00 1,000.00 16,998.00 2,265.00
			Subtotal	\$ 112,199.00
<i>Older Adults Recovery and Resilience Grant (C.F. 22-0497)</i>	<u>Fund 395/02, Area Plan for the Aging Tit 7</u> 02W102, Aging (2022-23)	\$ 366,182.00	<u>Fund 100/02, Aging (Fund 395/02/02Y102, Aging (2023-24))</u> 001010, Salaries General	\$ 366,182.00
<i>CalFresh (C.F. 22-1025-S1)</i>	<u>Fund 57E/02, SNAP-Ed</u> 02W982, Calfresh Exp. Admin	\$ 26,892.00	<u>Fund 100/02, Aging (Fund 57E/02, 02Y102, Unallocated)</u> 001010, Salaries General	\$ 26,892.00
<i>Health Insurance Counseling and Advocacy Program (C.F. 21-1372)</i>	<u>Fund 47Y/02, HICAP Fund</u> 02W932, Aging Adm.-Future Year	\$ 30,947.00	<u>Fund 100/02, Aging (Fund 47Y/02, 02Y102, Unallocated)</u> 001010, Salaries General	\$ 30,947.00
City Administrative Officer <i>Insurance and Bonds</i>	<u>Fund 46S/10, Insurance Premiums Special Fund</u> RSC 4596, Services to Water and Power RSC 4597, Services to Harbor RSC 5301, Reimbursement from Other Funds RSC 5188, Miscellaneous Revenues	\$ 813,631.03 15,000.00 151,944.37 76.44	<u>Fund 46S/10, Insurance Premiums Special Fund</u> 100230, Insurance and Bonds Premiums	\$ 980,651.84
	Subtotal	\$ 980,651.84		
Economic and Workforce Development <i>C.F. 10-1068, Ordinance #188015</i> <i>Sale proceeds from Manhattan/Blakley properties</i>	<u>Fund 62L/22, Economic Development Trust Fund</u> RSRC 5141, Sale of Surplus Property	\$ 264,751.35	<u>Fund 62L/22, Economic Development Trust Fund</u> 22Y5AO, Manhattan and Blakley Properties Sale Proceeds	\$ 264,751.35
<i>Economic Development Trust Fund</i> <i>Interest earnings from FY 22-23 and FY 23-24</i>	<u>Fund 62L/22, Economic Development Trust Fund</u> Cash Balance RSRC 4903, Interest Income	\$ 33,236.97 28,354.98	<u>Fund 62L/22, Economic Development Trust Fund</u> 22Y450, WIA Program Income	\$ 61,591.95
	Subtotal	\$ 326,343.30	Subtotal	\$ 326,343.30
<i>LA City Industrial-Commerical Revolving Loan Fund</i> <i>Interest earnings from FY 16-17 to FY 23-24</i>	<u>Fund 58J/22, LA City Industrial-Commerical Revolving Loan Fund</u> Cash Balance RSRC 4903, Interest Income	\$ 341,619.00 73,488.00	<u>Fund 58J/22, LA City Industrial-Commerical Revolving Loan Fund</u> 22Y450, WIA Program Income	\$ 415,107.00
	Subtotal	\$ 415,107.00		
<i>Mayor's Fund Los Angeles Grant for Workforce Equity Demonstration Pilot at Board of Public Works</i>	<u>Fund 62E/22, Mayor's Fund for Los Angeles Fund</u> 22Y6AX, Workforce Equity Demonstration-BPW	\$ 250,000.00	<u>Fund 100/74, Board of Public Works (62E/22, 22Y174)</u> 001010, Salaries General 003040, Contractual Services	\$ 137,463.29 67,000.00
			<u>Fund 100/74, Board of Public Works</u> RSC 5168, Reimbursement of Prior Year Salaries	\$ 45,536.71
			Subtotal	\$ 250,000.00

ATTACHMENT 3
FY 2023-24 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Fire	<u>Fund 298/38, MICLA</u>		<u>Fund 100/32 Information Technology Agency</u>	
<i>ITA Hiring Hall</i>	38Y232, Communications Labor	\$ 180,000.00	001100, Hiring Hall Salaries	\$ 180,000.00
Housing	<u>Fund 17G/10, GOB Series 2022-A (Taxable), Prop HHH Construction Fund</u>		<u>Fund 100/43, Housing Department</u>	
<i>HHH Permanent Supportive Housing Program</i>	RSRC 4904, Interest on Pooled Invest-Bond Fds	\$ 790,672.76	RSRC 5301, Reimbursement from Other Funds	\$ 790,672.76
	<u>Fund 17G/10, GOB Series 2022-A (Taxable), Prop HHH Construction Fund</u>		<u>Fund 100/43, Housing Department</u>	
	RSRC 4904, Interest on Pooled Invest-Bond Fds	\$ 348,291.35	RSRC 5361, Related Cost Reimbursements-Others	\$ 348,291.35
	Subtotal	<u>\$ 1,138,964.11</u>	Subtotal	<u>\$ 1,138,964.11</u>
<i>Financial Audits</i>	<u>Fund 55J/43, Low and Moderate Income Housing Fund</u>		<u>Fund 55J/43, Low and Moderate Income Housing Fund</u>	
	Cash Balance	\$ 84,665.68	43Y456 Financial Audit	\$ 84,665.68
	<u>Fund 44G/43, Affordable Housing Trust Fund</u>		<u>Fund 44G/43, Affordable Housing Trust Fund</u>	
	Cash Balance	11,853.75	43Y456 Financial Audit	11,853.75
	Subtotal	<u>\$ 96,519.43</u>	Subtotal	<u>\$ 96,519.43</u>
<i>Foreclosure and Technical Services Salaries</i>	<u>Fund 56V/43, Foreclosure Registry Trust Fund</u>		<u>Fund 100/43, Housing Department (56V/43, 43Y143)</u>	
	Cash Balance	\$ 286,197.00	001010, Salaries, General	\$ 186,278.00
	<u>Fund 240/43, Housing Production Revolving Fund</u>		<u>Fund 56V/43, Foreclosure Registry Program Fund</u>	
	Cash Balance	\$ 290,008.00	43Y299, Reimbursement of General Fund Costs	\$ 99,919.00
	Subtotal	<u>\$ 576,205.00</u>	<u>Fund 100/43, Housing Department (240/43, 43Y143)</u>	
			001010, Salaries, General	\$ 206,573.00
			<u>Fund 240/43, Housing Production Revolving Fund</u>	
			43Y299, Reimbursement of General Fund Costs	\$ 83,435.00
			Subtotal	<u>\$ 576,205.00</u>
Personnel	<u>Fund 100/66, Personnel Department</u>		<u>Fund 100/66, Personnel Department</u>	
<i>Executive Recruitment for DWP</i>	RSC 4596, Service to Water & Power	\$ 150,000.00	003040, Contractual Services Account	\$ 150,000.00
Public Works - Sanitation	<u>Fund 537/50, Environmental Affairs Trust Fund</u>		<u>Fund 100/82, Bureau of Sanitation</u>	
<i>Environmental Affairs Trust Fund</i>	50W182, Bureau of Sanitation	\$ 91,826.23	001070, Salaries As-Needed (EATF)	\$ 109,653.28
	50VMGF, GREENFiltration Project	34,827.05	002130, Travel (EATF)	9,000.00
	Subtotal	<u>\$ 126,653.28</u>	006010, Office and Administrative (EATF)	3,500.00
			006020, Operating Supplies (EATF)	4,500.00
			Subtotal	<u>\$ 126,653.28</u>
<i>SCM LAPD Related Costs</i>	<u>Fund 760/50, Sewer Operations & Maintenance Fund</u>		<u>Fund 760/50, Sewer Operations & Maintenance Fund</u>	
	Fund 760 Cash Balance	\$ 669,123.00	50Y299, Reimbursement of General Fund Costs	\$ 669,123.00
	<u>Fund 208/50, Sewer Construction & Maintenance Fund</u>		<u>Fund 760/50, Sewer Operations & Maintenance Fund</u>	
	RSC 5121, Damage Claims & Settlements	\$ 13,858,775.98	50YX82, PW-Sanitation Expense and Equipment	\$ 13,858,775.98
Transportation	<u>Fund 47H/94 Neighborhood Traffic Management</u>		<u>Fund 100/94 (Fund 47H/94/94194Y)</u>	
<i>Paseo Plaza and Avalon Bay Projects</i>	94194W, Transportation	\$ 29,187.85	001090, Overtime General	\$ 29,187.85
<i>Warner Center Intersections Improvements</i>	<u>Fund 573/94 Warner Center Transportation Improvement Trust</u>		<u>Fund 100/94 (Fund 573/94/94Y194)</u>	
	94W194, Transportation	\$ 66,375.40	001090, Overtime General	\$ 66,375.40

ATTACHMENT 3
FY 2023-24 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Transportation (continued)	<u>Fund 840/94, Department of Transportation Trust Fund</u>		<u>Fund 100/94 (Fund 840/94/94Y194)</u>	
<i>Special Event Traffic Control Services Reimb</i>	94W194, Transportation	\$ 2,729,617.23	001090, Overtime General	\$ 2,729,617.23
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 22,712,543.42		\$ 22,712,543.42

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>Shelter Staffing Support</i>	001010, Salaries General	\$ 276,812.00	001070, Salaries, As-Needed	\$ 276,812.00
<i>Accrued Overtime Payouts</i>	<u>Fund 100/06, Animal Services</u>		<u>Fund 100/06, Animal Services</u>	
	001010, Salaries General	\$ 226,722.00	001090, Overtime General	\$ 226,722.00
<i>Medical Supplies Increases</i>	<u>Fund 100/06, Animal Services</u>		<u>Fund 100/06, Animal Services</u>	
	001010, Salaries General	\$ 185,380.00	003190, Medical Supplies	\$ 185,380.00
<i>Printer Materials and Furniture</i>	<u>Fund 100/06, Animal Services</u>		<u>Fund 100/06, Animal Services</u>	
	001010, Salaries General	\$ 65,000.00	006010, Office and Administrative	\$ 65,000.00
<i>Equipment Purchase</i>	<u>Fund 100/06, Animal Services</u>		<u>Fund 100/06, Animal Services</u>	
	001010, Salaries General	\$ 80,000.00	006020, Operating Supplies	\$ 80,000.00
<i>Citywide Cat Program</i>	<u>Fund 100/06, Animal Services</u>		<u>Fund 842/06, Animal Sterilization Fund</u>	
	001010, Salaries General	\$ 630,000.00	060053, Community Cat S/N Program	\$ 630,000.00
City Administrative Officer	<u>Fund 100/10, City Administrative Officer</u>		<u>Fund 100/10, City Administrative Officer</u>	
<i>Salary Obligations</i>	001010, Salaries General	\$ 200,000.00	001090, Overtime General	\$ 200,000.00
City Attorney	<u>Fund 100/12, City Attorney</u>		<u>Fund 100/12, City Attorney</u>	
<i>Staff Overtime</i>	001010, Salaries General	\$ 100,000.00	001090, Overtime	\$ 100,000.00
Civil, Human Rights, and Equity	<u>Fund 52W/43 Board on Human Relations Commission Trust Fund</u>		<u>Fund 52W/15 Board on Human Relations Commission Trust Fund</u>	
<i>Midnight Stroll Transgender Cafe Program</i>	43R705, Midnight Stroll Transgnr Café	\$ 32,861.34	15705W, Midnight Stroll Transgender Cafe	\$ 32,861.34
Community Investment for Families	<u>Fund 100/21, Community Investment for Families (Fund 424/21)</u>		<u>Fund 100/21, Community Investment for Families (Fund 424/21)</u>	
<i>CDBG Realignment</i>	001010, Salaries, General	\$ 20,000.00	001070, Salaries, As-Needed	\$ 20,000.00
	006020, Operating Supplies	931.00	006010, Office and Administrative	931.00
	Subtotal	\$ 20,931.00	Subtotal	\$ 20,931.00
<i>HOME-ARP</i>	<u>Fund 65M/43, HOME-ARP</u>		<u>Fund 65M/43, HOME-ARP</u>	
	43W121, Community Investment for Families	\$ 51,535.69	43VB83, HOME-ARP - Adm Reserve - CIFD	\$ 51,535.69
Controller	<u>Fund 100/26, Controller</u>		<u>Fund 100/26, Controller</u>	
<i>HRP Support</i>	001010, Salaries General	\$ 260,000.00	003040, Contractual Services	\$ 260,000.00
Council	<u>Fund 100/28, Council</u>		<u>Fund 100/28, Council</u>	
<i>Staffing and Expenses</i>	001010, Salaries, General	\$ 2,600,000.00	001070, Salaries, As-Needed	\$ 2,000,000.00
			003040, Contractual Services	300,000.00
			006010, Office and Administrative	300,000.00
			Subtotal	\$ 2,600,000.00
Cultural Affairs	<u>Fund 100/30, Cultural Affairs</u>		<u>Fund 100/30, Cultural Affairs</u>	
<i>Summer Youth Program Hires</i>	009785, Summer Arts and Cultural Youth Jobs Program	\$ 154,148.00	001070, Salaries, As-Needed	\$ 154,148.00
<i>As-Needed Staffing</i>	<u>Fund 100/30, Cultural Affairs</u>		<u>Fund 100/30, Cultural Affairs</u>	
	001010, Salaries General	\$ 477,852.00	001070, Salaries, As Needed	\$ 477,852.00
Economic and Workforce Development	<u>Fund 100/22, Economic and Workforce Development</u>		<u>Fund 100/22, Economic and Workforce Development</u>	
<i>General Administrative and Finance Support</i>	001010, Salaries General	\$ 100,000.00	001090, Overtime General	\$ 50,000.00
			006010, Office and Administrative	50,000.00
			Subtotal	\$ 100,000.00
El Pueblo	<u>Fund 100/33, El Pueblo de Los Angeles Historical Monument (737/33)</u>		<u>Fund 100/33, El Pueblo de Los Angeles Historical Monument (737/33)</u>	
<i>Staffing Costs</i>	001070, Salaries As-Needed	\$ 50,000.00	001010, Salaries General	50,000.00

ATTACHMENT 4

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

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM	AMOUNT	FUND/ACCOUNT	TRANSFER TO	AMOUNT
Finance						
<i>Peak Season Overtime Support</i>	<u>Fund 100/39, Office of Finance</u> 001010, Salaries General		\$ 240,000.00	<u>Fund 100/39, Office of Finance</u> 001090, Overtime General		\$ 240,000.00
<i>Various Contractual Services</i>	<u>Fund 100/39, Office of Finance</u> 001010, Salaries General		\$ 200,000.00	<u>Fund 100/39, Office of Finance</u> 003040, Contractual Services		\$ 200,000.00
<i>Software Licenses</i>	<u>Fund 100/39, Office of Finance</u> 001010, Salaries General		\$ 210,000.00	<u>Fund 100/39, Office of Finance</u> 006010, Office and Administrative		\$ 210,000.00
Fire						
<i>Salaries As-Needed Shortfalls</i>	<u>Fund 100/38, Fire</u> 001010, Salaries, General		\$ 175,000.00	<u>Fund 100/38, Fire</u> 001070, Salaries, As-Needed		\$ 175,000.00
<i>OT Shortfalls for Fleet Maint, Inspections</i>	<u>Fund 100/38, Fire</u> 001010, Salaries, General		\$ 600,000.00	<u>Fund 100/38, Fire</u> 001090, Overtime General		\$ 600,000.00
<i>Various Unbudgeted Contract Obligations</i>	<u>Fund 100/38, Fire</u> 001010, Salaries, General 001012, Salaries, Sworn		\$ 388,309.00 3,322,870.00	<u>Fund 100/38, Fire</u> 003040, Contractual Services		\$ 3,711,179.00
		Subtotal	\$ 3,711,179.00			
<i>Various recurring unbudgeted bills</i>	<u>Fund 100/38, Fire</u> 001010, Salaries, General 001012, Salaries, Sworn		\$ 450,000.00 200,000.00	<u>Fund 100/38, Fire</u> 006010, Office and Administrative		\$ 650,000.00
		Subtotal	\$ 650,000.00			
<i>Medical Supplies Shortfalls</i>	<u>Fund 100/38, Fire</u> 001010, Salaries, General		\$ 700,000.00	<u>Fund 100/38, Fire</u> 003260, Rescue Supplies and Exp		\$ 700,000.00
<i>Fleet Parts Chronic Shortfalls</i>	<u>Fund 100/38, Fire</u> 001012, Salaries, Sworn		\$ 1,800,000.00	<u>Fund 100/38, Fire</u> 003090, Field Equipment Expense		\$ 1,800,000.00
<i>PP-GEMT IGT Prog Participation</i>	<u>Fund 100/38, Fire</u> 001012, Salaries, Sworn		\$ 6,840,000.00	<u>Fund 100/38, Fire</u> 003040, Contractual Services		\$ 6,840,000.00
<i>Critical Firefighing Safety Equipment Shortfalls</i>	<u>Fund 100/38, Fire</u> 001012, Salaries, Sworn		\$ 4,230,000.00	<u>Fund 100/38, Fire</u> 006020, Operating Supplies		\$ 4,230,000.00
Housing						
<i>As-Needed Staffing for GASP</i>	<u>Fund 100/43, Housing Department (43Y143)</u> 001010, Salaries, General (100/43) 001010, Salaries, General (815/43) 001010, Salaries, General (10D/43) 001010, Salaries, General (55J/43) 001010, Salaries, General (64R/43)		\$ 23,344.00 73,638.00 10,222.00 4,508.00 8,078.00	<u>Fund 100/43, Housing Department (43Y143)</u> 001070, Salaries, As-Needed (100/43) 001070, Salaries, As-Needed (815/43) 001070, Salaries, As-Needed (10D/43) 001070, Salaries, As-Needed (55J/43) 001070, Salaries, As-Needed (64R/43)		\$ 23,344.00 103,380.00 14,351.00 6,329.00 11,340.00
		Subtotal	\$ 158,744.00			
	<u>Fund 815/43, Municipal Housing Finance Fund</u> 43Y299, Reimbursement of General Fund Costs		\$ 29,742.00			
	<u>Fund 10D/43, Accessible Housing Fund</u> 43Y299, Reimbursement of General Fund Costs		\$ 4,129.00			
	<u>Fund 55J/43, Low and Moderate Income Housing Fund</u> 43Y299, Reimbursement of General Fund Costs		\$ 1,821.00			
	<u>Fund 64R/43, Sb 2 Permanent Local Housing Allocation</u> 43Y299, Reimbursement of General Fund Costs		\$ 3,262.00			
		Subtotal	\$ 158,744.00			

ATTACHMENT 4

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

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM	AMOUNT	FUND/ACCOUNT	TRANSFER TO	AMOUNT
Housing (continued)	<u>Fund 66M/43, House LA Fund</u>			<u>Fund 100/43, House LA Fund (66M/43, 43Y143)</u>		
As-Needed Staffing for ULA Hotline	43Y00B, United to House LA Administrative Reserve		\$ 198,924.00	001070, Salaries, As-Needed		\$ 198,924.00
HDB Overtime Need	<u>Fund 100/43, Housing Department (43Y143)</u>			<u>Fund 100/43, Housing Department (43Y143)</u>		
	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		\$ 153,534.50
	<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		\$ 153,534.50			
Office Lease Support	<u>Fund 100/43, Housing Department</u>			<u>Fund 100/43, Housing Department</u>		
	001010, Salaries, General (100/43)		\$ 106,701.00	006030, Leasing (100/43)		\$ 106,701.00
	<u>Fund 10D/43, Housing Department (43Y143)</u>			<u>Fund 100/43, Housing Department (43Y143)</u>		
	001010, Salaries, General (10D/43)		\$ 297,827.00	006030, Leasing (10D/43)		\$ 418,120.00
				Subtotal		\$ 524,821.00
	<u>Fund 10D/43, Accessible Housing Fund</u>					
	43Y299, Reimbursement of General Fund Costs		\$ 120,293.00			
	Subtotal		\$ 524,821.00			
HACLA Rental Assistance Contract C-139680	<u>Fund 47X/43, HUD Connection Grant Fund</u>			<u>Fund 47X/43, HUD Connection Grant Fund</u>		
	43T320, Project Sponsor Administration		\$ 55,650.00	43T334, Tenant Based Rental Assistance		\$ 55,650.00
AHSC Reimbursement	<u>Fund 60V/43, Affordable Housing & Sustainable Communities Grant</u>			<u>Fund 60V/43, Affordable Housing & Sustainable Communities Grant</u>		
	43V654, Six Four Nine Lofts		\$ 16,790.39	RSRC 5168 Reimb of Prior Year Salary		\$ 16,790.39
Human Resources Benefits	<u>Fund 100/61, Human Resources Benefits</u>			<u>Fund 100/61, Human Resources Benefits</u>		
Workers' Compensation Overspending	003040, Contractual Services		\$ 1,032,000.00	009910, Workers' Compensation/Rehabilitation		\$ 1,032,000.00
Information Technology Agency	<u>Fund 100/32, Information Technology Agency</u>			<u>Fund 100/32, Information Technology Agency</u>		
Communication Service Requests	RSC 5301, Reimbursement from Other Funds		\$ 42,360.51	009350, Communication Services		\$ 58,611.63
	RSC 4600, Service to LACERS		16,251.12			
	Subtotal		\$ 58,611.63			
Mayor	<u>Fund 100/46, Mayor</u>			<u>Fund 100/46, Mayor</u>		
Re-integration Services	001070, Salaries, As-Needed		\$ 450,000.00	003040, Contractual Services		\$ 450,000.00

ATTACHMENT 4

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

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM	AMOUNT	FUND/ACCOUNT	TRANSFER TO	AMOUNT
Personnel <i>Medical Care Staffing</i>	<u>Fund 100/66, Personnel Department</u> 001010, Salaries, General		\$ 250,000.00	<u>Fund 100/66, Personnel Department</u> 001070, Salaries, As-Needed		\$ 250,000.00
	<u>Fund 100/66, Personnel Department</u> 001010, Salaries, General		\$ 50,000.00	<u>Fund 100/66, Personnel Department</u> 001090, Overtime General		\$ 50,000.00
	<u>Fund 100/66, Personnel Department</u> 001010, Salaries, General		\$ 295,000.00	<u>Fund 100/66, Personnel Department</u> 006010, Office and Administrative Account		\$ 295,000.00
Police <i>Overtime General Shortfall</i>	<u>Fund 100/70, Police</u> 001010, Salaries General		\$ 1,350,000.00	<u>Fund 100/70, Police</u> 001090, Overtime General		\$ 1,350,000.00
	<u>Fund 100/70, Police</u> 006010, Office and Administrative		\$ 1,500,000.00	<u>Fund 100/70, Police</u> 003040, Contractual Services		\$ 1,500,000.00
	<u>Fund 100/70, Police (Fund 667)</u> 002130, Travel		\$ 200,000.00	<u>Fund 100/70, Police (Fund 667)</u> 006010, Office and Administrative		\$ 200,000.00
	<u>Fund 100/70, Police</u> 003010, Firearms, Ammunition, Other Device		\$ 500,000.00	<u>Fund 100/70, Police</u> 003090, Field Equipment Expense		\$ 1,300,000.00
			300,000.00			
			500,000.00			
			<u>Subtotal \$ 1,300,000.00</u>			
	<u>Fund 100/70, Police (Fund 760/70)</u> 001010, Salaries General		\$ 458,330.00	<u>Fund 100/70, Police (Fund 760/70)</u> 003040, Contractual Services		\$ 617,442.00
			329,225.00	001012, Salaries Sworn		164,298.00
			<u>Subtotal \$ 787,555.00</u>	001090, Overtime General		5,815.00
			<u>Subtotal \$ 787,555.00</u>			
Public Works - Sanitation <i>Hyperion Construction Needs</i>	<u>Fund 100/82, Bureau of Sanitation</u> 001010, Salaries General (SCMO Fund 760/50)		\$ 720,000.00	<u>Fund 100/82, Bureau of Sanitation</u> 001100, Hiring Hall Salaries (SCMO Fund 760/50)		\$ 620,000.00
				001120, Benefits Hiring Hall (SCMO Fund 760/50)		100,000.00
				<u>Subtotal \$ 720,000.00</u>		
<i>As-Needed Overexpenditure</i>	<u>Fund 100/82, Bureau of Sanitation</u> 001010, Salaries General (SWRRF Fund 508/50)		\$ 100,000.00	<u>Fund 100/82, Bureau of Sanitation</u> 001070, Salaries As Needed (SWRRF Fund 508/50)		\$ 100,000.00
			1,000,000.00	001070, Salaries As Needed (SCMO Fund 760/50)		1,000,000.00
			150,000.00	001070, Salaries As Needed (SCMC Fund 761/50)		150,000.00
			<u>Subtotal \$ 1,250,000.00</u>	<u>Subtotal \$ 1,250,000.00</u>		
<i>Overtime Overexpenditure</i>	<u>Fund 100/82, Bureau of Sanitation</u> 001010, Salaries General (SCMO Fund 760/50)		\$ 2,000,000.00	<u>Fund 100/82, Bureau of Sanitation</u> 001090, Overtime General (SCMO Fund 760/50)		\$ 2,000,000.00
			3,500,000.00	001090, Overtime General (SWRRF Fund 508/50)		3,500,000.00
			1,000,000.00	001090, Overtime General (SPA Fund 511/50)		1,000,000.00
			500,000.00	001090, Overtime General (MBIF Fund 50D/50)		500,000.00
			500,000.00	001090, Overtime General (CRTF Fund 46D/50)		500,000.00
			75,000.00	001090, Overtime General (MWLRF Fund 60W/50)		75,000.00
			1,000,000.00	001090, Overtime General (GF)		1,000,000.00
			<u>Subtotal \$ 8,575,000.00</u>	<u>Subtotal \$ 8,575,000.00</u>		

ATTACHMENT 4

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

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM	AMOUNT	FUND/ACCOUNT	TRANSFER TO	AMOUNT
Public Works - Sanitation (continued) <i>Office and Administrative Overexpenditure</i>	<u>Fund 100/82, Bureau of Sanitation</u>			<u>Fund 100/82, Bureau of Sanitation</u>		
	001010, Salaries General (SCMO Fund 760/50)		\$ 75,000.00	006010, Office and Administrative (SCMO Fund 760/50)		\$ 75,000.00
	001010, Salaries General (SCMC Fund 761/50)		10,000.00	006010, Office and Administrative (SCMC Fund 761/50)		10,000.00
	001010, Salaries General (SWRRF Fund 508/50)		20,000.00	006010, Office and Administrative (SWRRF Fund 508/50)		20,000.00
	001010, Salaries General (SPA Fund 511/50)		10,000.00	006010, Office and Administrative (SPA Fund 511/50)		10,000.00
	001010, Salaries General (CRTF Fund 46D/50)		5,000.00	006010, Office and Administrative (CRTF Fund 46D/50)		5,000.00
	001010, Salaries General (MWLRF Fund 60W/50)		5,000.00	006010, Office and Administrative (MWLRF 60W/50)		5,000.00
		Subtotal	\$ 125,000.00		Subtotal	\$ 125,000.00
SWRRF Debt Service	<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>			<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>		
	50YU61, Solid Waste Resources Revenue Bonds 2015-A – Principal		\$ 2,579,197.65	50YU57, Solid Waste Resources Revenue Bonds 2013-A – Principal		\$1,641,618.57
				50YU63, Solid Waste Resources Revenue Bonds 2018-A – Principal		676,469.15
				50YU64, Solid Waste Resources Revenue Bonds 2018-A – Interest		134,165.57
				50YU72, Solid Waste Resources Revenue Bonds 2023-A – Principal		126,944.36
		Subtotal		Subtotal	\$ 2,579,197.65	
Bureau of Street Services <i>Increased Usage of Hiring Hall</i>	<u>Fund 100/86, Bureau of Street Services</u>			<u>Fund 100/86, Bureau of Street Services</u>		
	001010, Salaries General		\$ 800,000.00	001100, Hiring Hall Salaries		\$ 500,000.00
				001120, Hiring Hall Benefits		300,000.00
		Subtotal		Subtotal	\$ 800,000.00	
Construction Expense Overspending	<u>Fund 100/86, Bureau of Street Services (41A/50/50Y186)</u>			<u>Fund 100/86, Bureau of Street Services (41A/50/50Y186)</u>		
	001010, Salaries General		\$ 2,000,000.00	003030, Construction Expense		\$ 4,000,000.00
	003040, Contractual Services		2,000,000.00			
		Subtotal	\$ 4,000,000.00			
Office and Administrative and Operating Supplies Overspending	<u>Fund 100/86, Bureau of Street Services (Fund 206/94/50Y186)</u>			<u>Fund 100/86, Bureau of Street Services (Fund 206/94/50Y186)</u>		
	001010, Salaries General		\$ 2,750,000.00	006010, Office Supplies and Expense		\$ 750,000.00
				006020, Operating Supplies		2,000,000.00
		Subtotal		Subtotal	\$ 2,750,000.00	
Operating Supplies Overspending	<u>Fund 100/86, Bureau of Street Services (Fund 59C/94/94Y186)</u>			<u>Fund 100/86, Bureau of Street Services (Fund 59C/94/94Y186)</u>		
	003040, Contractual Services		\$ 2,000,000.00	006020, Operating Supplies		\$ 2,000,000.00
Transportation <i>Slurry Seal & Cape Seal Program</i>	<u>Fund 100/94, Transportation (Fund 540/94)</u>			<u>Fund 100/94, Transportation (Fund 540/94)</u>		
	001010, Salaries General		\$ 1,200,000.00	003040, Contractual Services		\$ 1,200,000.00
TOTAL ALL DEPARTMENTS AND FUNDS			\$ 57,248,249.20	\$ 57,248,249.20		

ATTACHMENT 5

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

TRANSFER FROM		TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
City Attorney	<u>Fund 100/46, Mayor</u>		<u>Fund 100/12, City Attorney</u>	
Staff on Loan	003040, Contractual Services	\$ 250,000.00	001010, Salaries General	\$ 250,000.00
L.A. Data Program	<u>Fund 368/12, City Attorney Grants</u>		<u>Fund 100/70, Police (368/12, 12Y170)</u>	
	12T643, LA DATA Program	\$ 349,674.00	001092, Overtime Sworn	\$ 333,130.00
			001090, Overtime General	16,544.00
			Subtotal	\$ 349,674.00
City Administrative Officer	<u>Fund 105/10 Innovation Fund</u>		<u>Fund 100/10, City Administrative Officer</u>	
Innovation and Performance Awards	Cash Balance	\$ 5,224.67	006010, Office and Administrative Account	\$ 5,224.67
Tax and Revenue Anticipation Notes Savings	<u>Fund 100/62, Non Departmental</u>		<u>Fund 100/58, Unappropriated Balance</u>	
Citywide Budget Balancing	620P15, Tax Rev Anticipation Note	\$ 12,672,138.67	580196, Reserve for Mid-Year Adjustments	\$ 12,672,138.67
Capital Finance Administration Fund Savings	<u>Fund 100/53, Capital Finance Administration Fund</u>		<u>Fund 100/58, Unappropriated Balance</u>	
Citywide Budget Balancing	000321, MICLA REFUNDING OF	\$ 661,000.00	580196, Reserve for Mid-Year Adjustments	\$ 719,655.35
	000336, MICLA 2010-C CP REAL PROP	1,171.27		
	000353, MICLA 2016-A (Capital Equipment)	3,066.24		
	000354, MICLA 2016-B (Real Property)	27,501.00		
	000357, MICLA 2018-A (Capital Equipment)	1,754.76		
	000358, MICLA 2018-B (Real Property)	1,474.25		
	000359, MICLA 2018-C (MICLA AK	517.90		
	000366, MICLA 2020-A (Capital Equipment)	3,990.14		
	000367, MICLA 2020-B (Refunding) (Real	3,316.17		
	000368, MICLA 2020-C (Refunding -	1,197.50		
	000369, MICLA 2021-A (Ref-Taxable)(Cap	5,117.70		
	000370, MICLA 2021-B (Refunding)	1,184.05		
	000371, MICLA 2021-C (Capital Equipment	8,364.37		
	Subtotal	\$ 719,655.35		
Controller	<u>Fund 100/26, Controller</u>		<u>Fund 100/32, Information Technology Agency</u>	
HRP Parallel Testing Support	003040, Contractual Services	\$ 1,677,420.00	003040, Contractual Services	\$ 1,677,420.00
Council	<u>Fund 53P, State AB 1290 City Fund</u>		<u>Fund 100/28, Council</u>	
Council District 14 Expenses	281214, CD 14 Redevelopment Fund	\$ 600,000.00	001070, Salaries, As-Needed	\$ 350,000.00
			006010, Office and Administrative	250,000.00
			Subtotal	\$ 600,000.00
Council District 7 Beautification	<u>Fund 53P, State AB 1290 City Fund</u>		<u>Fund 100/74, Board of Public Works</u>	
	281207, CD 7 Redevelopment Fund	\$ 329,062.00	003040, Contractual Services	\$ 329,062.00
Council District 9 Expenses	<u>Fund 53P, State AB 1290 City Fund</u>		<u>Fund 100/28, Council</u>	
	281209, CD 9 Redevelopment Fund	\$ 230,000.00	001070, Salaries, As-Needed	\$ 230,000.00
Citywide Budget Balancing	<u>Fund 100/28, Council</u>		Fund 100/58, Unappropriated Balance	
	003040, Contractual Services	\$ 460,000.00	580196, Reserve for Mid-Year Adjustments	\$ 460,000.00
Economic and Workforce Development	<u>Fund 100/54, CTIEP</u>		<u>Fund 100/40, General Services Department</u>	
Various Lot Clean-Up and Abatement Services (EWDD to GSD)	00Y942, Economic and Workforce Development Dept Property Maintenance	\$ 317,458.00	001014, Salaries, Construction Projects	\$ 217,475.00
	00V845, EWDD Nuisance Abatement Cash Flow	45,000.00	003180, Construction Materials	144,983.00
	Subtotal	\$ 362,458.00	Subtotal	\$ 362,458.00
Fire	<u>Fund 100/38, Fire</u>		<u>Fund 100/40, General Services</u>	
Fire Extractor Installations	003040, Contractual Services	\$ 250,000.00	001101, Hiring Hall Construction	\$ 140,000.00
			001121, Benefits Hiring Hall Construction	60,000.00
			003180, Construction Materials	50,000.00
			Subtotal	\$ 250,000.00
General Services	<u>Fund 100/40, General Services</u>		<u>Fund 100/40, General Services</u>	
Field Equipment Expense Overspending	001010, Salaries General	\$ 3,000,000.00	003090, Field Equipment Expense	\$ 3,000,000.00

ATTACHMENT 5

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

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM	AMOUNT	FUND/ACCOUNT	TRANSFER TO	AMOUNT
General Services (continued)	<u>Fund 100/40, General Services</u>			<u>Fund 100/40, General Services</u>		
Field Equipment Expense Overspending	001070, Salaries As-Needed		\$ 400,000.00	003090, Field Equipment Expense		\$ 400,000.00
Field Equipment Expense Overspending	<u>Fund 100/40, General Services</u>			<u>Fund 100/40, General Services</u>		
	006010, Office and Administrative		\$ 100,000.00	003090, Field Equipment Expense		\$ 100,000.00
Field Equipment Expense Overspending	<u>Fund 100/40, General Services</u>			<u>Fund 100/40, General Services</u>		
	003230, Petroleum Products (SWRRF)		\$ 500,000.00	003090, Field Equipment Expense (SWRRF)		\$ 500,000.00
Hiring Hall Salaries Overspending	<u>Fund 100/40, General Services</u>			<u>Fund 100/40, General Services</u>		
	001010, Salaries General		\$ 500,000.00	001100, Hiring Hall Salaries		\$ 500,000.00
Benefits Hiring Hall Overspending	<u>Fund 100/40, General Services</u>			<u>Fund 100/40, General Services</u>		
	001010, Salaries General		\$ 250,000.00	001120, Benefits Hiring Hall		\$ 250,000.00
Overtime General	<u>Fund 100/40, General Services</u>			<u>Fund 100/40, General Services</u>		
	003230, Petroleum Products (SWRRF)		\$ 562,500.00	001090, Overtime General (SWRRF)		\$ 562,500.00
Library	<u>Fund 300/44, Library Fund</u>			<u>Fund 100/40, General Services Department</u>		
Alterations and Improvements	003040, Contractual Services		\$ 19,404.72	001014, Salaries, Construction Projects		\$ 14,632.72
				003180, Construction Materials		4,772.00
				Subtotal		<u>\$ 19,404.72</u>
Personnel	<u>Fund 100/66, Personnel Department</u>			<u>Fund 100/40, General Services Department</u>		
Facility Improvements (Basement)	001010, Salaries General		\$ 195,215.00	001101, Hiring Hall Construction		\$ 30,990.00
				001121, Benefits Hiring Hall Construction		13,281.00
				003180, Construction Materials		150,944.00
				Subtotal		<u>\$ 195,215.00</u>
Facility Improvements (Central Services)	<u>Fund 100/66, Personnel Department</u>			<u>Fund 100/40, General Services Department</u>		
	001010, Salaries General		\$ 57,544.00	001014, Salaries, Construction Projects		\$ 20,958.00
				003180, Construction Materials		36,586.00
				Subtotal		<u>\$ 57,544.00</u>
Police	<u>Fund 100/70, Police</u>			<u>Fund 100/40, General Services</u>		
Van Nuys Jail Improvements	003010, Firearms, Ammunition, Other Device		\$ 206,644.00	001014, Salaries Construction		\$ 11,277.00
				003180, Construction Materials		600.00
				<u>Fund 100/54, CTIEP</u>		
				00Y941, CTIEP Deferred Maintenance Projects		194,767.00
				Subtotal		<u>\$ 206,644.00</u>
Active Bystandership Leadership Training, 70Y818 (C.F. 22-0455)	<u>Fund 885/70, Police Department Trust Fund</u>			<u>Fund 100/70, Police Department</u>		
	70Y818, Active Bystandership for Law Enforcement		\$ 2,526.34	RSC 5301, Reimbursement from Other Funds		\$ 2,526.34
2022 DNA Capacity Enhancement/Backlog Reduction, 70W502 (C.F. 22-1300)	<u>Fund 100/70, Police Department</u>			<u>Fund 339/70, Police Department Grant Fund</u>		
	001090, Overtime General		\$ 30,629.00	70Y299, Related Costs		\$ 30,629.00
2023 CTFGP Toxicology Crime Laboratories, 70Y566 (C.F. 23-0909)	<u>Fund 339/70, Police Department Grant Fund</u>			<u>Fund 100/70, Police Department</u>		
	70Y566, 23-24 & 24-25 Cannabis Tax Fund Grant - Toxicology Laboratory		\$ 10,000.00	001090, Overtime General		\$ 9,522.00
				<u>Fund 339/70, Police Department Grant Fund</u>		
				70Y299, Related Costs		\$ 478.00
				Subtotal		<u>\$ 10,000.00</u>
2021 Targeted Violence and Terrorism Prevention, 70V572 (C.F. 21-1476)	<u>Fund 100/70, Police Department</u>			<u>Fund 339/70, Police Department Grant Fund</u>		
	001092, Overtime Sworn		\$ 9,264.39	70Y299, Related Costs		\$ 9,264.39
	<u>Fund 339/70, Police Department Grant Fund</u>			<u>Fund 339/70, Police Department Grant Fund</u>		
	70V572, 2021 Targeted Violence & Terrorism Prevention Grant Program		\$ 5,383.30	70Y299, Related Costs		\$ 5,383.30
	Subtotal		<u>\$ 14,647.69</u>	Subtotal		<u>\$ 14,647.69</u>

ATTACHMENT 5

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

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM	AMOUNT	FUND/ACCOUNT	TRANSFER TO	AMOUNT
Police (continued)	<u>Fund 100/70, Police Department</u>			<u>Fund 339/70, Police Department Grant Fund</u>		
2022 Off Highway Motor Vehicle Recreation - Law Enforcement, 70W560 (C.F. 22-1522)	001092, Overtime Sworn		\$ 6,593.41	70Y299, Related Costs		\$ 6,593.41
	<u>Fund 100/70, Police Department</u>			<u>Fund 339/70, Police Department Grant Fund</u>		
2022 Body-Worn Camera - Digital Evidence Management, 70W409 (C. F. 22-1481-S1)	001092, Overtime Sworn		\$ 14,020.76	70Y299, Related Costs		\$ 19,608.52
	001090, Overtime General		5,587.76			
		Subtotal	\$ 19,608.52			
 <i>Gang Youth Intervention Programs</i>	<u>Fund 44F/70, California State Asset Forfeiture Fund</u>			<u>Fund 100/70, Police</u>		
	70P517, Gang Intervention Program - State Set-Aside		\$ 56,375.00	001092, Overtime Sworn		\$ 715,514.00
	70R517, Gang Intervention Program - State Set-Aside		60,602.00			
	70S517, Gang Intervention Program - State Set-Aside		130,045.00			
	70T517, Gang Intervention Program - State Set-Aside		294,780.00			
	70V517, Gang Intervention Program - State Set-Aside		173,712.00			
		Subtotal	\$ 715,514.00			
 <i>Standards and Training for Corrections Program</i>	<u>Fund 41Y/70, Standards & Training for Correction Fund</u>			<u>Fund 100/70, Police</u>		
	70V207, STD & Training Correction		\$ 131,436.69	001090, Overtime General		\$ 276,816.00
	70W219, STD & Training Correction		124,586.56			
	70V207, STD & Training Correction		20,792.75			
		Subtotal	\$ 276,816.00			
 Public Works - Board	<u>Fund 834/50 Public Works Trust Fund</u>			<u>Fund 100/86, Bureau of Street Services</u>		
<i>Santa Monica Boulevard Alleys Project (C.F. 10-0473-S1)</i>	500OAG, Santa Monica Blvd		\$ 10,000.00	RSC 5161, Reimbursement of Expenditures		\$ 10,000.00
 Public Works - Contract Administration	<u>Fund 100/76, Bureau of Contract Administration (57F/50, 50Y176)</u>			<u>Fund 57F/50, Sidewalk and Curb Repair Fund</u>		
<i>Sidewalk Repair Fund</i>	001010, Salaries General		\$ 100,000.00	50YVBN - Sidewalk Repair Engineering Consulting Services		\$ 180,000.00
	001090, Overtime General		50,000.00			
	003310, Transportation		30,000.00			
		Subtotal	\$ 180,000.00			
 Public Works - Bureau of Engineering	<u>Fund 100/78, Bureau of Engineering (57F/50, 50Y178)</u>			<u>Fund 57F/50, Sidewalk and Curb Repair Fund</u>		
<i>Sidewalk Repair Fund</i>	001010, Salaries General		\$ 450,000.00	50YVBN - Sidewalk Repair Engineering Consulting Services		\$ 450,000.00
 Public Works - Sanitation	<u>Fund 100/82, Bureau of Sanitation</u>			<u>Fund 100/70, Los Angeles Police Department</u>		
<i>CD2 Vehicle Recycling</i>	001010, Salaries General (GF)		\$ 3,795.00	003040, Contractual Services (GF)		\$ 3,795.00
 <i>Security Cameras</i>	<u>Fund 100/82, Bureau of Sanitation</u>			<u>Fund 100/32, Information Technology Agency</u>		
	003090, Field Equipment Expense (GF)		\$ 89,725.67	009350, Communication Services (GF)		\$ 89,725.67
 <i>SWRRF Tip Fees</i>	<u>Fund 100/82, Bureau of Sanitation (508/50, 50Y182)</u>			<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>		
	001100, Hiring Hall Salaries		\$ 200,000.00	50YX82, PW-Sanitation Expense and Equipment		\$ 500,000.00
	004430, Uniforms		300,000.00			
		Subtotal	\$ 500,000.00			
 <i>Clean Streets Invoices</i>	<u>Fund 100/82, Bureau of Sanitation</u>			<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>		
	001010, Salaries General (GF)		\$ 2,848,907.00	RSRC 5301, Reimb from Other Funds		\$ 2,848,907.00
 Transportation	<u>Fund 100/94, Transportation (57F/50, 50Y194)</u>			<u>Fund 57F/50, Sidewalk and Curb Repair Fund</u>		
<i>Sidewalk Repair Fund</i>	001010, Salaries General		\$ 70,114.00	50YVBN - Sidewalk Repair Engineering Consulting Services		\$ 70,114.00
 TOTAL ALL DEPARTMENTS AND FUNDS			\$ 14,929,124.35			\$ 14,929,124.35

ATTACHMENT 6

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

<u>APPROPRIATE FROM:</u>	<u>APPROPRIATE TO:</u>	<u>AMOUNT</u>
<u>Fund, 100/58, Unappropriated Balance</u>		
580424, Animal Services Operations	<u>Fund 100/06, Animal Services</u> 001070, Salaries As-Needed	\$ 277,048.00
580425, Unarmed Crisis Response	<u>Fund 100/10, City Administrative Officer</u> 003040, Contractual Services	\$ 1,271,726.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/12, City Attorney</u> 004200, Litigation	\$ 2,500,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/12, City Attorney</u> 009301, City Attorney Outside Counsel	\$ 3,840,000.00
580132, Equipment, Expenses, Alteration & Improvement	<u>Fund 100/28, Council</u> 001070, Salaries As-Needed	\$ 1,763,293.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/40, General Services</u> 003230, Petroleum Products	\$ 3,000,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/40, General Services</u> 003090, Field Equipment Expense	\$ 2,000,000.00
580132, Equipment, Expenses, Alteration & Improvement	<u>Fund 100/46, Mayor</u> 003040, Contractual Services 006010, Office and Administrative 007300, Furniture, Office, and Technical Equipment	\$ 627,144.00 627,144.00 627,144.00
	Subtotal	<u>\$ 1,881,432.00</u>
580427, Police Department Hiring and Overtime	<u>Fund 100/70, Police</u> 001012, Salaries Sworn	\$ 9,937,288.00
580232, Police Department Hiring Bonus	<u>Fund 100/70, Police</u> 001012, Salaries Sworn	\$ 3,647,000.00

ATTACHMENT 6

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

APPROPRIATE FROM:	APPROPRIATE TO:	AMOUNT
580383, Department Payroll Reconciliation	<u>Fund 100/70, Police</u>	
	001012, Salaries Sworn	\$ 36,415,712.00
	001092, Overtime Sworn	10,000,000.00
	Subtotal	<u>\$ 46,415,712.00</u>
580383, Department Payroll Reconciliation	<u>Fund 100/56, General City Purposes</u> 000510, Medicare Contributions	\$ 4,000,000.00
580383, Department Payroll Reconciliation	<u>Fund 100/56, General City Purposes</u> 000570, Social Security Contributions	\$ 100,000.00
580383, Department Payroll Reconciliation	<u>Fund 100/56, General City Purposes</u> 000577, Pensions Savings Plans	\$ 125,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/56, General City Purposes</u> 00050Z, LA's BEST	\$ 1,449,777.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/56, General City Purposes</u> 000556, International Visitors Council of Los Angeles	\$ 40,000.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/56, General City Purposes</u> 000825, Los Angeles Neighborhood Land Trust	\$ 40,500.00
580196, Reserve for Mid-Year Adjustments	<u>Fund 100/59, Liability Claims</u> 009798, Miscellaneous Liability Payouts	\$ 91,570,000.00
TOTAL APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE		\$ 173,858,776.00

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

C.F.	Appropriations	Date	Amount
23-0600	General		\$ 50,000
	Approved Transfer		
23-1017	Council District 4 - Illumination of City Hall		(400.00)
		Balance Available	<u>49,600.00</u>
	Anticipated Appropriations		
		Projected Balance Available	<u>\$ 49,600.00</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>\$ 27,362,000.00</u>
 Second FSR Recommendations	
Transfer Out:	
Transfer to City Attorney - Litigation	(3,500,000.00)
Transfer to City Attorney - Outside Counsel	(3,705,000.00)
Transfer to Communities for Families - Contractual Services	(450,000.00)
Transfer to General Services - Field Equipment Expense	(5,000,000.00)
Transfer to General Services - Petroleum Products	(7,500,000.00)
Transfer to General Services - Utilities Expense	(3,000,000.00)
Transfer to City Administrative Officer - ARPA Contractual Services	(250,000.00)
Subtotal	\$ (23,405,000.00)
Subtotal Second FSR Recommendations	(23,405,000.00)
 Year-end Available	 <u>\$ 3,957,000.00</u>
 Mid-year FSR Recommendations	
Transfer In:	
Transfer from Reserve Fund	86,631,482.98
Transfer from Tax and Revenue Anticipation	12,672,138.67
Transfer from Capital Finance Administration Fund	719,655.35
Transfer from Council - Contractual Services (Public Bank Study)	460,000.00
Subtotal	<u>100,483,277.00</u>
 Transfer Out:	
Transfer to City Attorney - Litigation	(2,500,000.00)
Transfer to City Attorney - Outside Counsel	(3,840,000.00)
Transfer to General Services - Field Equipment Expense	(2,000,000.00)
Transfer to General Services - Petroleum Products	(3,000,000.00)
Transfer to General City Purposes - LA's Best	(1,449,777.00)
Transfer to General City Purposes - International Visitors Council of Los Angeles	(40,000.00)
Transfer to General City Purposes - Los Angeles Neighborhood Land Trust	(40,500.00)
Transfer to Liability Claims - Miscellaneous Liability Payouts	(91,570,000.00)
Subtotal	<u>(104,440,277.00)</u>
Subtotal Mid-Year FSR Recommendations	(3,957,000.00)
 Year-end Available	 <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)			\$ -
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							(948,000)			\$ 52,000.00
580404	Decarbonization and Development of Solar on City Facilities	GSD	\$ 22,759,788						(22,759,788)				\$ -
580383	Department Payroll Reconciliation	All	\$ -	73,048,025						(50,640,712)			\$ 22,407,313.00
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)				(3,644,725)			\$ 2,841,151.15
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							(400)			\$ 49,600.00
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
580329	Human Resources and Payroll System Contingency	ITA		10,961,924						(9,961,924)			\$ 1,000,000.00
580381	LAHSA Homeless Engagement Teams	GCP	\$ 4,641,754							(2,320,877)			\$ 2,320,877.00
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)						\$ -
580427	Police Department Hiring and Overtime	Police	\$ 10,000,000			(62,712)				(9,937,288)			\$ -
580415	Police Department Hiring Bonus	Police	\$ 3,647,000							(3,647,000)			\$ -
580429	Police Department Sworn Overtime - Interim Homeless Housing	Police	\$ 6,270,000						(6,270,000)				\$ -
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)					\$ -
580196	Reserve for Mid-Year Adjustments	All	\$ 30,000,000			(2,638,000)		(23,405,000)		(3,957,000)			\$ -
580372	Senior Meals Program	Aging	\$ 10,000,000						(6,054,146)				\$ 3,945,854.00
580377	Social Equity Program	Cannabis	\$ -	3,000,000				(3,000,000)					\$ -
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						(1,500,000)	(1,271,726)			\$ 10,473,450.00
580413	Vehicles for Elected Officials	GSD	\$ 600,000				(375,000)						\$ 225,000.00
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	\$ 90,382,513	\$ (42,733,698)	\$ (5,513,086)	\$ (3,425,000)	\$ (46,405,000)	\$ (49,815,135)	\$ (73,375,499)	\$ -	\$ -	\$ 148,511,483.98
	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	\$ 90,382,513	\$ (46,646,527)	\$ (5,513,086)	\$ (3,425,000)	\$ (46,405,000)	\$ (49,815,135)	\$ (73,375,499)	\$ -	\$ -	\$ 162,267,629.82

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 Adopted Budget	2023-24 Adjusted Budget	Amount	Amount	Amount	Amount	
Fire	009790	\$ -	\$ 4,380,500	\$ (4,380,500)	\$ -	\$ (150,000)	\$ (150,000)	0%
General Services	009791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Police	009792	\$ -	\$ 46,171,637	\$ (46,171,637)	\$ -	\$ (8,854,438)	\$ (8,854,438)	0%
PW/Engineering	009793	\$ -	\$ 4,750,318	\$ (4,750,318)	\$ -	\$ -	\$ -	0%
PW/Sanitation	009794	\$ 7,370,072	\$ -	\$ (4,621,034)	\$ 2,749,038	\$ (724,935)	\$ 2,024,103	0%
PW/Street Services	009795	\$ -	\$ 7,883,888	\$ (7,883,888)	\$ -	\$ (5,865,000)	\$ (5,865,000)	0%
Recreation & Parks	009796	\$ -	\$ 610,000	\$ (610,000)	\$ -	\$ -	\$ -	0%
Transportation	009797	\$ -	\$ 9,510,000	\$ (9,510,000)	\$ -	\$ (3,500,000)	\$ (3,500,000)	0%
Miscellaneous	009798	\$ 80,000,000	\$ 26,693,657	\$ (16,640,863)	\$ 10,052,794	\$ (13,268,904)	\$ (3,216,110)	-12%
TOTALS		\$ 87,370,072	\$ 100,000,000	\$ (94,568,240)	\$ 12,801,832	\$ (32,363,277)	\$ (19,561,445)	-20%

Note:

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

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

Department	2023-24 Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of December	Changes	End of December	Start of December	Changes	End of December		
Aging	49	53	1	54	44	5	49	5	1
Animal Services	344	393	-	393	342	(3)	339	54	1
Building and Safety	1,026	1,152	-	1,152	949	9	958	194	1
Cannabis Regulation	26	59	-	59	52	1	53	6	-
City Administrative Officer	156	196	2	198	177	(2)	175	23	8
City Attorney	899	1,084	2	1,086	969	-	969	117	24
City Clerk	117	135	-	135	110	3	113	22	-
City Planning	419	577	-	577	446	(2)	444	133	1
City Tourism	12	12	-	12	9	-	9	3	-
Civil, Human Rights and Equity	6	46	-	46	31	(2)	29	17	2
Community Investment for Families	69	103	3	106	95	-	95	11	4
Controller	158	186	1	187	149	(1)	148	39	8
Cultural Affairs	91	107	-	107	69	7	76	31	-
Disability	27	36	-	36	27	(1)	26	10	-
Economic & Workforce Development	87	174	-	174	129	3	132	42	3
El Pueblo	10	11	1	12	10	1	11	1	1
Emergency Management	27	34	-	34	27	-	27	7	-
Employee Relations Board	3	3	-	3	3	-	3	-	-
Ethics Commission	37	45	-	45	42	-	42	3	-
Finance	358	400	-	400	314	8	322	78	8
Fire - Civilian	415	488	1	489	351	2	353	136	52
Fire - Sworn	3,520	3,813	-	3,813	3,424	(8)	3,416	397	274
General Services	1,458	1,508	-	1,508	1,226	(1)	1,225	283	5
Housing	531	776	2	778	662	11	673	105	2
Information Technology Agency	451	462	-	462	368	4	372	90	-
Neighborhood Empowerment	35	42	-	42	33	(2)	31	11	-
Personnel	586	673	-	673	592	2	594	79	17
Police - Civilian	3,321	3,363	-	3,363	2,622	6	2,628	735	-
Police - Sworn	10,597	10,762	5	10,767	8,961	24	8,985	1,782	19
Public Accountability	9	9	-	9	3	-	3	6	-
PW/Board of Public Works	90	136	-	136	116	(1)	115	21	-
PW/Bureau of Contract Administration	308	407	-	407	333	(2)	331	76	1
PW/Bureau of Engineering	773	985	-	985	764	1	765	220	4
PW/Bureau of Sanitation	3,164	3,822	5	3,827	3,010	18	3,028	799	20
PW/Bureau of Street Lighting	214	409	-	409	297	2	299	110	4
PW/Bureau of Street Services	994	1,598	-	1,598	1,153	11	1,164	434	30
Transportation	1,441	1,836	-	1,836	1,489	(6)	1,483	353	6
Youth Development	5	23	-	23	16	2	18	5	1
Zoo	275	297	-	297	248	-	248	49	4
Subtotal	32,108	36,215	23	36,238	29,662	89	29,751	6,487	501
Library	1,284	1,284	-	1,284	993	-	993	291	-
Recreation and Parks	1,612	1,987	-	1,987	1,509	8	1,517	470	276
Subtotal	2,896	3,271	-	3,271	2,502	8	2,510	761	276
Total	35,004	39,486	23	39,509	32,164	97	32,261	7,248	777

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

Monthly Summary	2023-24 Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of Month	Changes	End of Month	Start of Month	Changes	End of Month		
July	35,004	39,395	22	39,417	31,886	32	31,918	7,499	704
August	35,004	39,417	6	39,423	31,918	9	31,927	7,496	710
September	35,004	39,423	8	39,431	31,927	75	32,002	7,429	718
October	35,004	39,431	29	39,460	32,002	67	32,069	7,391	744
November	35,004	39,460	26	39,486	32,069	95	32,164	7,322	758
December	35,004	39,486	23	39,509	32,164	97	32,261	7,248	777

MEASURE R LOCAL RETURN FUND

Fund	Account	Account Name	Amount
51Q	94311G	DOWNTOWN LA STREET CAR PROJECT	\$ 887,984.82
51Q	94H311	ROXFORD STREET & Foothill Blvd ON/OFF RAMP	40,000.00
51Q	94K690	DOWNTOWN LA STREETCAR-AB 1290	458,874.00
51Q	94L479	SIGNAL IMPROVEMENT CONSTRUCTION	12,176.18
51Q	94M478	Paint and Sign Maintenance	3,058.43
51Q	94MM06	GREAT STREETS	142,468.45
51Q	94N478	Paint and Sign Maintenance	768.00
51Q	94P130	Cultural Affairs	15,550.00
51Q	94PM06	Great Streets	1,000,000.00
51Q	94R194	TRANSPORTATION	2,165.25
51Q	94R478	Paint and Sign Maintenance	3,094.07
51Q	94RM11	Vision Zero Contracts, Speed Surveys, Outreach Campaign	1.00
51Q	94S194	Transportation	10,467.85
51Q	94S478	Paint and Sign Maintenance	303.52
51Q	94T158	Unappropriated Balance	785,081.00
51Q	94T186	Bureau of Street Services	402,479.79
51Q	94V140	General Services	410,893.27
51Q	94V156	General City Purposes	8,876.00
51Q	94V166	Personnel	17,231.78
51Q	94V168	City Planning	16,697.72
51Q	94V178	Bureau of Engineering	44,760.16
51Q	94V184	Bureau of Street Lighting	29,001.12
51Q	94V186	Bureau of Street Services	40,413.35
51Q	94V194	Transportation	1,695,595.40
51Q	94V299	Reimbursement of General Fund Costs	10,181,851.06
51Q	94VM06	Great Streets	491,124.00
51Q	94W166	Personnel	11,368.31
51Q	94W178	Bureau of Engineering	218,046.05
51Q	94W184	Bureau of Street Lighting	618,749.43
51Q	94W186	Bureau of Street Services	3,761.00
51Q	94W194	Transportation	939,609.49
51Q	94WM06	Great Streets	500,000.00
Total: \$			18,992,450.50

MEASURE M LOCAL RETURN FUND

Fund	Account	Account Name	Amount
59C	94P186	PW-STREET SERVICES	\$ 39,459.00
59C	94PV10	35th Street between Gramercy & Cimarron	22,628.38
59C	94PV11	Boeing Ave and 78th Street Subsidence	1,561.66
59C	94PV12	Glider Ave and Wiley Post Street Subsidence	36,459.44
59C	94PV18	Vista Crest Drive (3006)	7,545.89
59C	94PV19	Alvarado Street Bulkhead	5,915.29
59C	94PV29	DOT Equipment - SR/VZ Projects	60,298.16
59C	94PV30	BSS Equipment	130,787.02
59C	94R186	PW-STREET SERVICES	28,003.35
59C	94S186	Bureau of Street Services	290,882.95
59C	94SV25	Street Lighting at Existing Pedestrian Crosswalks	7,369.17
59C	94SV55	Fenton Ave and Terra Bella Improvement Project	2,359.66
59C	94T140	General Services	9,078.77
59C	94T158	Unappropriated Balance	1,454,658.00
59C	94T166	Personnel	15,794.01
59C	94T176	Bureau of Contract Administration	545,281.69
59C	94T178	Bureau of Engineering	247,796.75
59C	94T184	Bureau of Street Lighting	154,148.75
59C	94T186	Bureau of Street Services	151,285.13
59C	94T676	Median Island Maintenance	23,007.00
59C	94T800	Traffic Signal Supplies	5.55
59C	94V140	General Services	96,574.78
59C	94V176	Bureau of Contract Administration	1,112,347.02
59C	94V178	Bureau of Engineering	711,035.07
59C	94V182	PW Sanitation	6,300.00
59C	94V186	Bureau of Street Services	1,086,860.83
59C	94V194	Transportation	3,329,203.79
59C	94V299	Reimbursement of General Fund Costs	15,232,768.32
59C	94W140	General Services	47,474.22
59C	94W166	Personnel	9,827.68
59C	94W176	Bureau of Contract Administration	613,328.74
59C	94W178	Bureau of Engineering	932,936.71
59C	94W184	Bureau of Street Lighting	251,911.60
59C	94W186	Bureau of Street Services	2,574,466.98
59C	94W194	Transportation	512,258.60
Total: \$			29,751,619.96

PROPOSITION A LOCAL TRANSIT ASSISTANCE FUND

Fund	Account	Account Name	Amount
385	94L485	BUS INSPECTION AND MAINTENANCE FACILITY	284,513.00
385	94MA00	Community DASH Bus Purchase Program Expansion	230,543.65
385	94NA00	Community DASH Bus Purchase Program Expansion	157,539.51
385	94PA00	Community DASH Bus Purchase Program Expansion	257,168.87
385	94RA06	Transit Operations Expansion	35,380,153.77
385	94RA19	Electrical Bus Upgrades Seed Funding	1,000,000.00
385	94SA23	Facility Lease	600,000.00
385	94T186	Bureau of Street Services	8,516.33
385	94TA10	Transit Bus Security Services	612,629.00
385	94V241	PARATRANSIT PROG CORRD SERV	665,671.57
385	94VA17	Transportation Grant Matching Funds	500,000.00
385	94VA28	Cityride Fare Card	1,355,524.76
385	94W102	Aging	17,560.95
385	94W126	Controller	47,694.63
385	94W166	Personnel	10,945.01
385	94W176	Bureau of Contract Administration	118,472.06
385	94W184	Bureau of Street Lighting	306,431.09
385	94W186	Bureau of Street Services	549,595.10
385	94W194	Transportation	185,198.20
385	94W299	Reimbursement of General Fund Costs	2,207,887.30
385	94W399	Reserve for Future Transit Service	5,775,430.00
385	94W427	Transit Facility Security and Maintenance	223,901.00
385	94W431	Transit Operations	23,898,835.71
385	94W442	Marketing City Transit Program	1,500,000.00
385	94W446	Bus Facility Purchase Program	7,000,000.00
385	94WA13	Ride and Field Checks	2,000,000.00
385	94WA16	Eco Rapid Transit JPA	50,000.00
385	94WA17	Transportation Grant Matching Funds	500,000.00
385	94WA23	Facility Lease	303,355.00
385	94WA35	Transit Operations - ARPA	15,745,284.50
385	94WA36	Transit Operations - CRRSAA	8,712,047.68
Total: \$			110,204,898.69

PROPOSITION C ANTI-GRIDLOCK TRANSIT IMPROVEMENT FUND

Fund	Account	Account Name	Amount
540	94G255	WILSHIRE BLVD BUS LANE PH II	\$ 2,000,000.00
540	94H225	BALBOA BLVD AT KNOLLWOOD SHOPPING CENTER PROJECT	6,818.18
540	94K804	PAVEMENT PRESERVATION EQUIPMENT	22,302.82
540	94L337	SCHOOL BIKE & TRANSIT EDUCATION	17,825.06
540	94L338	RAILROAD CROSSING PROGRAM	14,218.08
540	94L802	LED REPLACEMENT MODULES	23,710.04
540	94MC03	Traffic Signal Supplies	35.87
540	94MC06	Paint and Sign Maintenance	2,162.79
540	94N337	SCHOOL BIKE & TRANSIT ED PROG	1,040.00
540	94N340	Consultant Services	14,638.42
540	94N415	Office Supplies	92,762.83
540	94N482	Bicycle Plan/Program - Other	2,096.56
540	94N638	Contractual Services-Support	226,571.34
540	94NC02	SIXTH STREET VIADUCT PROJECT	31,644.17
540	94P186	PW-STREET SERVICES	140,964.90
540	94P314	TRAVEL & TRAINING	1,544.71
540	94P337	SCHOOLBIKE&TRANSITEDUCPROGRAM	1,000.00
540	94P482	Bicycle Plan/Program - Other	2,088.07
540	94P638	Contractual Services-Support	19,053.53
540	94P990	Technology and Communications Equipment	1,351.73
540	94PC07	TRAFFIC LOOP CREW EQUIPMENT	24,571.00
540	94PV31	DOT Paint and Sign Services - SR/VZ Projects	22,817.11
540	94R186	PW-STREET SERVICES	434,969.64
540	94R314	TRAVEL & TRAINING	2,805.70
540	94R337	SCHOOL BIKE & TRANSIT EDUC	70,359.24
540	94R415	Office Supplies	396.95
540	94R478	Paint and Sign Maintenance	606.18
540	94R638	Contractual Services-Support	24,956.98
540	94R682	Engineering Special Services	60,000.00
540	94R990	Technology and Communications Equipment	15.19
540	94S178	Bureau of Engineering	53,668.69
540	94S186	Bureau of Street Services	953,396.41
540	94S314	TRAVEL & TRAINING	419.72
540	94S415	Office Supplies	18,670.46
540	94S478	Paint and Sign Maintenance	422.83

PROPOSITION C ANTI-GRIDLOCK TRANSIT IMPROVEMENT FUND (cont'd)

Fund	Account	Account Name	Amount
540	94S800	Traffic Signal Supplies	3,634.87
540	94S802	LED Replacement Modules	3,477.72
540	94T158	Unappropriated Balance	918,671.00
540	94T174	Board of Public Works	8,344.35
540	94T176	Bureau of Contract Administration	78,073.52
540	94T186	Bureau of Street Services	1,370,136.00
540	94T194	Transportation	342,157.35
540	94T299	Reimbursement of General Fund Costs	16,779,982.71
540	94T314	TRAVEL & TRAINING	32,905.65
540	94T415	Office Supplies	24,260.71
540	94T478	Paint and Sign Maintenance	2,253.90
540	94T800	Traffic Signal Supplies	2,164.11
540	94T990	Technology and Communications Equipment	356.30
540	94T993	L.A. Neighborhood Initiative	550,000.00
540	94V176	Bureau of Contract Administration	1,466,473.20
540	94V178	Bureau of Engineering	917,798.86
540	94V184	Bureau of Street Lighting	201,606.16
540	94V186	Bureau of Street Services	2,766,760.80
540	94V194	Transportation	8,302,223.07
540	94V299	Reimbursement of General Fund Costs	1,904,900.16
540	94V314	TRAVEL & TRAINING	33,590.35
540	94V337	SCH BIKE & TRANSIT EDUCATION	300,000.00
540	94V478	Paint and Sign Maintenance	10.18
540	94V990	Technology and Communications Equipment	94.00
540	94W166	Personnel	6,280.01
540	94W174	Board of Public Works	12,351.58
540	94W176	Bureau of Contract Administration	1,669,487.13
540	94W178	Bureau of Engineering	72,156.33
540	94W184	Bureau of Street Lighting	682,986.01
540	94W186	Bureau of Street Services	3,857,546.76
540	94W194	Transportation	3,463,569.81
540	94W299	Reimbursement of General Fund Costs	2,782,998.28
540	94W314	Travel and Training	32,243.45
540	94W478	Paint and Sign Maintenance	123.75
540	94W990	Technology and Communications Equipment	94.00
Total: \$			52,879,617.28