

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Council District: ALL

To: Karen Bass, Mayor
Marqueece Harris-Dawson, Council President
Bob Blumenfield, Chair, Budget, Finance, and Innovation Committee

From: Matthew W. Szabo, City Administrative Officer 

Reference: 2024-25 Budget

Subject: **FIRST FINANCIAL STATUS REPORT**

SUMMARY

This Office is transmitting the First Financial Status Report (FSR) for Fiscal Year 2024-25. This report provides an update on the current-year budget including projected departmental and non-departmental expenditures, the status of the Reserve Fund, actual receipts from 2023-24, revenue trends for 2024-25, and a discussion of an issue of concern which may impact the City's finances.

Entering the 2024-25 fiscal year, the City is in a challenging financial position. On September 27, 2024, this Office released a report in which we first raised the financial and budgetary concerns that we expand upon in this FSR. We stated that the City's Reserve Fund began 2024-25 below the five percent policy level and was likely to approach the 2.75 percent Emergency Reserve Account level in the coming months. This continued reduction is largely driven by liability expenditures that will dramatically exceed the budgeted levels. In the 2023-24 First FSR, we identified \$103.32 million in General Fund spending for Liability Claims and in this FSR we have identified \$274.32 million in liability costs, which is a 165.5 percent increase from the same period last year and demonstrates the continuing trend of significant increases in these costs. Furthermore, we anticipate additional liability costs will occur in 2024-25 as ongoing civil cases are adjudicated and/or settled. We have yet to identify solutions to the excessive liability costs the City is incurring. However, on October 22, 2024, the City Council approved amended recommendations within our earlier report that are intended to curtail additional spending and that take initial steps to restore the Reserve Fund, including:

- Retaining the prioritized critical hiring process;
- Deferring requests interim budget appropriations and reappropriations of prior year funds;
- Instructing departments to absorb overspending, including by adjusting operations, if necessary; and,

- Instructing this Office and the City Attorney to report on strategies to limit future liability and outside counsel spending and report on trends from 2021 to 2024 relative to the number of cases handled internally and by outside counsel with comparisons of settlement amounts for each and by type of lawsuit, cost trends, and information on similar cases handled by the County of Los Angeles.

In this FSR, we have identified overspending of \$215.96 million, including continued growth in liability expenditures which are currently \$91.69 million over the adjusted budget, which was increased by \$102.62 million by transfers approved earlier this fiscal year. We also report that the Reserve Fund is currently at 3.9 percent and identify downside risk to General Fund revenues. Due to continued high levels of overspending driven by liability costs, a depleted Reserve Fund, and downside risk to General Fund revenues, the City must take additional steps to ensure that the current year budget is balanced and to restore the Reserve Fund. While the City must balance the current-year budget over the next eight months, the restoration of the Reserve Fund will be a multi-year endeavor and the City will need to embrace sustained fiscal discipline. Specifically, we recommend that the City Council and Mayor:

- Instruct the CAO to initiate a budget balancing exercise, including but not limited to evaluating available departmental and non-departmental surpluses, delaying contracts and infrastructure projects, increasing revenue collections, shifting employees from positions paid by the General Fund or subsidized special funds pay to fully-funded special funds, and reducing appropriations. While each of these options could impact service levels, given the time necessary to complete this exercise, budget reduction proposals should be presented in a future report (no later than the Mid-Year FSR) with a discussion of the potential service impacts of all proposed reductions.
- Instruct General Managers to retain the General Fund surpluses for their departments identified in this report to be used for future Citywide budget balancing.
- Continue the prioritized critical hiring process through the remainder of the fiscal year and re-evaluate its use within the context of the 2025-26 Budget Development Process and the City's compliance with its Financial Policies and in particular the Reserve Fund being restored to the five percent policy level.
- Instruct General Managers to refrain from requesting new Reserve Fund loans and instruct the CAO to report on the fiscal impact of all requests made along with recommendations that account for the fiscal impact, and to report on opportunities to expedite the repayment of outstanding Reserve Fund loans.
- Instruct the CAO and request the City Attorney to pursue the necessary steps to enable the City to issue a judgment obligation bond with the intent of reimbursing the Reserve Fund for transfers made from the Reserve Fund to pay for liability costs, recognizing that the City Council and Mayor would have to approve any such bond issuance before proceeding.
- Instruct the CAO to review off-budget special funds that have had no activity in recent years and identify any portion of the balances in these special funds could be used for budget balancing.

While not an option for current year budget balancing, this Office has previously reported that the General Fund subsidy of special funds in 2024-25 is approximately \$444 million. This includes \$135 million in subsidies for solid waste activities and \$17 million for the maintenance and operations of the City's street lighting system. The 2024-25 Budget instructs the Bureau of Sanitation and the Bureau of Street Lighting (respectively) to present options to return these services to full cost recovery, which this Office strongly supports as part of the City's strategy to bring expenditures in line with revenues.

The preliminary year-end estimate of 2023-24 receipts totals \$7.68 billion, which is \$222.10 million below the adopted budget of \$7.90 billion. Within the current fiscal year, General Fund revenues through September are \$37 million above plan. While overall General Fund revenue is above plan, we identify downside risks to sales tax, property tax and the City's other economically-sensitive receipts. With only three months of data, it is too early in the year to project year end revenue, however, based on the downside revenue risks identified in this report, we do not anticipate a year-end revenue surplus that could be used to offset overspending. Rather, as further detailed in the General Fund Revenue section, the lower base revenue receipts in 2023-24 means that the projected revenue growth for 2024-25 in the Adopted Budget is likely overstated. However, there is currently insufficient data to quantify any potential revenue shortfall.

We have identified \$215.96 million in expenditures above plan in the current year. The largest over-expenditures are in the Liability Claims due to approved and pending liability payouts. Other significant over-expenditures are due to the Fire Department's increased retirement sick payout liabilities, overtime for fire life safety inspections and deployments in response to natural disasters, an increased backfill rate in light of sworn vacancies and attrition, unbudgeted contract obligations, increased fleet maintenance and repair costs, and increased medical and rescue supply costs, the City Attorney's increased litigation expense and outside counsel costs, and the General Services Department's increased fuel and utilities costs.

In this report we raise one issue of concern related to the current status of ongoing employee union negotiations with various bargaining units. While it is likely that some departments will be able to absorb a portion of the costs associated with the agreements being negotiated, we do not currently have figures to project the total impact on the City's finances as the agreements are still being negotiated or are pending a report to Council. Thus, we have not included the costs of pending agreements in the overspending identified in this report.

In this report we recommend \$7.33 million in solutions to partially address the projected budget gap of \$215.96 million and identify \$12.78 million in potential future actions to further reduce the remaining year-end overspending to \$195.85 million. The size of the remaining budget gap highlights the need for the City to pursue cost control measures to balance the current-year budget. Departments must absorb or manage remaining costs within existing funds and retain projected surpluses to the greatest extent possible. The City cannot rely on the Reserve Fund to balance the budget and needs to begin work to rebuild the Reserve Fund balance to a healthy level.

The Reserve Fund balance is \$312.80 million or 3.9 percent of 2024-25 General Fund revenue, after accounting for transactions approved since July 1 and the recommendations in this report. This balance is below the five percent Reserve Fund policy. Due to the significant overspending identified in this report, the downside risk to revenues, and the need to restore the Reserve Fund, we strongly recommend that the City refrain from using the Reserve Fund for purposes other than budget balancing and only after the City has evaluated cost control measures to reduce expenditures.

General Fund Revenue

Attachment 1A – 2023-24 Adopted and Revised General Fund Revenue

Attachment 1B – 2024-25 Adopted General Fund Revenue through September

Attachment 1C – Property Tax by Account

Attachment 1D – Business Tax – All Sources

Attachment 1E – Utility Users Tax – All Sources

Attachment 1F – Transient Occupancy Tax – All Sources

Attachment 1G – Documentary Transfer Tax – All Sources

Key Findings/Recommendations

- *Preliminary 2023-24 General Fund year end revenue is \$7.68 billion, ending \$222.1 million below the adopted budget of \$7.90 billion. Large positive and negative variances from adopted estimates were seen across taxes and departmental receipts. These variances could be attributed to factors such as inflation, higher interest rates, high energy prices, a struggling real estate market, reduced special fund reimbursements, and delayed grant reimbursements, among other reasons. Based on these trends, the revised budget was decreased by \$170.5 million to \$7.73 billion.*
- *Preliminary year end receipts ended \$51.6 million below the revised 2023-24 budget. Large positive variances from the revised budget include \$30.4 million in property tax and CRA tax increment receipts, \$14.1 million in utility users taxes (UUT), \$4.6 million in franchise income from natural gas providers; and \$6.3 million in interest earnings. These positive variances were offset by shortfalls in departmental and grant receipts (\$48.1 million and \$2.8 million, respectively), business and transient occupancy (TOT) taxes (\$41.6 million and \$14.3 million), and a net \$0.4 million shortfall from lesser variances.*
- *Actual 2024-25 revenue through September is \$1.05 billion, \$37.0 million above the adopted plan of \$1.01 billion. Receipts to date represent 13.0 percent of the General Fund revenue budget of \$8.03 billion and are 10.7 percent above General Fund receipts of \$0.95 billion this time last year. Excluding excess interest earnings that may be due to special funds, receipts are \$6.0 million above plan and 7.4 percent above General Fund receipts from the previous year.*

- *Despite total receipts being higher than plan, there are downside risks to revenue. Property tax is already \$18.8 million below plan with secured taxes and other receipts recorded in May 2024. The adopted revenue budget for property tax assumed 4.75 percent growth based on the County Assessor's May 2024 estimate for countywide growth. The Assessor has since provided a 4.6 percent growth estimate for the City's assessed value.*
- *Other economy sensitive revenues that are below plan, such as sales tax and TOT, indicate lingering economic weakness despite the recent rate cut, primarily attributed to the extended period of inflation and higher interest rates.*
- *While the Wall Street Journal's October 2024 survey of economists predicts a lower probability of a national recession (26 percent) within the next twelve months, forecasts specific to the state and local economy predict subpar economic and job growth throughout 2024, with indicators improving by the end of 2025.*
- *With only three months of revenue data, it is too early to project year-end totals Current year property tax receipts only represent 3.9 percent of the property tax budget and the first remittance of secured receipts for the next property tax year will not occur until December 2024. Further, 85 percent of business tax receipts are received after January 1.*

2023-24 Actual Revenue

The 2023-24 Adopted Budget assumed \$7.90 billion in General Fund revenue based on low growth assumptions for most tax receipts according to prior year trends and the assumed impacts of inflation and high interest rates on the real estate values and retail activity. This estimate for total General Fund revenue was subsequently reduced by a net \$170.5 million (1.0 percent) to \$7.73 billion with the adoption of the 2024-25 budget. The largest driver in the change were lower than assumed trends in actual receipts for property, business, sales, documentary, and TOT taxes during the first three quarters of the fiscal year, as well as forecasts from economists, the County, and industry specific experts, equating to a \$136.7 million net reduction. Additionally, grant receipts were reduced by \$52.8 million based on anticipated Federal Emergency Management Agency (FEMA) reimbursements to the City for COVID response efforts. Lesser reductions were made to parking fines (\$7.5 million) based on trends in actual receipts and departmental receipts (\$7.3 million) primarily due to lower cost allocation plan rates, higher vacancies and reduced special fund support. Upward revisions included a combined \$28.3 million increase to the UUT, power revenue transfer and franchise receipts reflecting the impact of peaking energy prices; while interest income increased by \$4.6 million, benefiting from the high interest rates.

The preliminary estimate for actual 2023-24 revenue is \$7.68 billion, \$51.6 million (0.7 percent) below the revised budget, and \$222.1 million (2.8 percent) below the original adopted budget. Among the largest variances are tax receipts processed through the LATax system, where recording delays during the system's transition to cloud storage prevented a complete analysis of receipts, complicating efforts to develop accurate estimates. Business and TOT taxes fell below revised estimates by \$41.6 million and \$14.3 million, respectively, representing total shortfall of \$99.0 million from the adopted budget. Finance attributes the business tax decrease to a decline

in both taxpaying accounts and gross receipts, indicating a greater economic slowdown than expected, which also likely contributed to the decline in TOT receipts. Conversely, the communication users (CUT) tax ended the year \$11.5 million above the revised estimate with one-time receipts of prior year tax liabilities recorded in June.

Departmental receipts also fell well short of the revised estimate by \$48.1 million (and \$55.4 million below adopted) due to reduced reimbursements from special funds (\$34.0 million), proprietary departments (\$7.5 million), outside agencies (\$0.2 million) and lower fee revenue (\$6.4 million). It is currently estimated that up to \$7.6 million represents delayed receipts that may be received this year. Grant receipts and sales and residential development taxes also ended lower than reduced estimates (\$2.4 million, \$2.0 million, and \$0.3 million, respectively), and the tobacco settlement payment was \$1.2 million below the prior year's payment.

Offsetting these shortfalls were positive variances from revised estimates including higher property tax and CRA tax increment receipts (\$27.9 million and \$2.6 million, respectively), with the former responsible for the current year shortfall. Lingering high natural gas prices contributed to the net \$4.6 million surplus in total franchise income and \$2.1 million in gas users tax receipts. Interest income ended \$6.4 million higher than its increased estimate. Both documentary transfer taxes and parking fine revenue did slightly better than downward trends suggested, ending \$1.5 million and \$2.1 million, respectively, above their reduced estimates.

The 2023-24 adopted budget, revised estimates, and preliminary actual receipts are summarized in Attachment 1A, along with details on specific revenue surpluses and shortfalls.

2024-25 Adopted Revenue

The 2024-25 Adopted Budget assumes \$8.03 billion in total General Fund revenue, representing an increase of \$351.4 million (4.6 percent) above actual 2023-24 receipts. However, excluding the transfer from the Reserve Fund (\$136.4 million) from 2023-24 base receipts and actual and anticipated FEMA receipts from both years, assumed growth is approximately 4.2 percent. This assumed growth is only slightly above the average growth of 4.1 percent since 1990.

Adjusted revenue through September, which includes \$12.4 million in LATax receipts that were not recorded in the City's Financial Management System (FMS), is \$1.05 billion. Receipts are \$37.0 million above the adopted plan of \$1.01 billion; however, excluding interest earnings that may be owed to special funds, the \$37.0 million surplus is closer to \$6.0 million. Receipts (excluding interest) are 8.0 percent above General Fund receipts at this same time last year.

With only three months of revenue data, it is too early to project year end revenue. Some revenue sources, like property tax and business tax presently represent earnings attributable to the prior tax year, with current tax year remittances anticipated in December 2024 and January 2025, respectively. Other taxes, such as the sales, TOT and documentary transfer taxes may have shorter lags from economic activity, but changing economic conditions from the recent rate cut may alter the trend in receipts. Large surpluses or shortfalls should not be assumed as indicative of yearlong trends. For example, the \$41.4 million surplus in departmental receipts through September, is boosted by one-time, prior year and unanticipated receipts, some of which require

new appropriations or will be otherwise disbursed. Any remaining surpluses may be offset by the potential revenue shortfalls that have already been identified by departments.

Of concern, however, are recent growth rate forecasts for sales and property tax that are lower than assumptions used in the adopted budget. Additionally, lower 2023-24 receipts in business taxes and TOT mean assumptions for the current year base should also be reduced. Recent forecasts for the state and local economy now foresee higher growth returning by the close of the 2025 calendar year, rather than in the final quarter of 2024 to coincide with the rate cut. Lower growth and higher unemployment have been attributed to several factors, including the slower recovery from entertainment industry strikes, challenges in the commercial and residential property markets affecting construction and real estate, shifts in retail employment post-pandemic, and rising minimum wages. Finally, there are lesser defined economic risks linked to uncertainties from the presidential election, economic and trade policies, and international conflicts. In light of these factors, there are sufficient headwinds in achieving average growth, and thereby increasing the total risk to the budget.

See the discussion below and Attachments 1B through 1G for a summary of the variances from the 2024-25 monthly plan through September and potential risks to year-end receipts.

2024-25 General Fund Revenue and Variance through September
(Million Dollars)

	Adopted Budget	Monthly Plan	Monthly Receipts	Receipts as % of Budget	Variance
Property Tax	\$2,770.4	\$127.6	\$108.8	3.9%	(\$18.8)
Property Tax Ex-CRA Inc.	142.6	-	-	-	-
Department receipts	1,421.4	217.4	258.8	18.2%	41.4
Business Tax	837.1	51.1	57.1	6.8%	6.0
Sales Tax	691.0	171.7	171.1	24.8%	(0.6)
Utility Users Tax	685.1	177.8	165.8	24.2%	(12.0)
Transient Occupancy Tax	342.8	91.9	83.2	24.3%	(8.7)
Power Revenue Transfer	227.5	-	-	-	-
Grant Receipts	224.6	1.6	6.1	2.7%	4.4
Documentary Transfer Tax	168.8	49.7	47.6	28.2%	(2.1)
Franchise Income	147.5	34.8	28.4	19.3%	(6.4)
Parking Occupancy Tax	134.6	33.9	37.3	27.7%	3.4
Parking Fines	110.0	27.7	27.7	25.1%	(0.1)
Special Parking Revenue Transfer	24.6	-	-	-	-
Tobacco Settlement	10.7	-	-	-	-
State Motor Vehicle License Fees	4.8	-	-	-	-
Residential Development Tax	4.7	1.2	0.8	16.4%	(0.4)
Interest Income	84.5	24.4	55.4	65.5%	31.0
Total General Fund	\$8,032.6	\$1,010.9	\$1,047.9	13.0%	\$37.0

Property taxes: Net property tax receipts through September are \$18.8 million behind planned receipts, partly attributed to a higher-than-estimated remittance for May 2024 (\$27.9 million) in the prior fiscal year. Consequently, secured receipts are \$23.4 million lower, with an additional \$0.6 million shortfall in redemptions. Offsetting these shortfalls are higher unsecured, supplemental, and adjusted receipts (\$3.4 million, \$1.3 million, and \$0.2 million, respectively) and lower refunds (\$0.4 million). There is additional downside risk to secured receipts based on the County Assessor's forecasted growth in the City's assessed value (4.6 percent) for the next tax period beginning December 2024. The adopted budget estimate assumed 4.75 percent growth based on the Assessor's May estimate for countywide growth. (See Attachment 1C)

Department receipts: Departmental receipts through September, which include license, permits, fees, fines, and various reimbursements, total \$258.8 million, which is \$41.4 million above the adopted plan. The surplus can be attributed to delayed prior-year and unanticipated remittances: \$9.1 million from state mandate payment; \$30.8 million in ambulance billing payments, including \$28.0 million attributed to the quality assurance fee; and \$19.8 million in proprietary department reimbursements. Offsetting these excess receipts are delayed reimbursements for related costs

and other expenses from special funds (\$2.7 million) and the MTA (\$15.2 million). Additionally, approximately \$1.9 million of excess receipts will need to be transferred to other funds, while \$3.8 million are pending appropriations to departments for construction programs. Other amounts for transfer or appropriation may also be necessary. This category is susceptible to shortfalls when vacancies or changes to the cost allocation plan rates reduce budgeted reimbursements. Fiscal year 2023-24 year ended \$48.1 million below revised estimates.

Business tax: Net business tax receipts are \$6.0 million above plan, some of which might represent the delayed recording of 2023-24 receipts. The surplus is due to receipts from non-cannabis related business activities, reduced by a \$2.0 million shortfall in planned cannabis receipts. Finance reports that state legislation to take effect in January 2025 may reduce cannabis-related tax liability by ten percent. Additionally, the \$41.6 million shortfall from revised 2023-24 estimates in both categories translates to a lower base for growth in 2024-25 receipts. The impact to taxes from non-cannabis activity will coincide with the business tax renewal period recorded in the second half of the fiscal year, which represents approximately 85 percent of business tax revenue. (See Attachment 1D)

Sales tax: Sales tax is \$0.6 million below planned receipts through September, following a shortfall of \$2.0 million from revised 2023-24 receipts. Sales tax is one of the City's more economically sensitive revenues. Lower receipts for both the revised 2023-24 budget and the current year are attributed to the lasting effects of the 2023 entertainment industry strikes, reduced purchasing power due to inflation, and a slowdown in business investment and hiring caused by higher interest rates and wages. Though current year receipts are near plan, there is a downside risk to this revenue as economic indicators have been slower to improve after the Federal Reserve's first interest cut.

Utility users tax (UUT): Adjusted total receipts through September are \$12.0 million below plan, after including approximately \$4.4 million in LATax receipts pending recording in FMS. Electricity users tax (EUT) is \$9.6 million below plan with the Department of Water and Power reporting that power sales have been less than forecasted. Gas users tax receipts are also \$3.2 million below plan. Excess CUT receipts of \$0.8 million slightly reduce the net shortfall. In 2023-24, one-time, excess CUT receipts from prior tax years contributed \$11.6 million towards the \$14.1 million net surplus (to the revised budget), with gas users and EUT also exceeding estimates by \$2.1 million and \$0.5 million, respectively. (See Attachment 1E)

Transient occupancy tax (TOT): With the inclusion of approximately \$4.6 million in LATax receipts not yet recorded in the Financial Management System (FMS), adjusted TOT receipts are \$8.7 million below budget. This follows a \$14.3 million shortfall from the revised 2023-24 estimate. September receipts from hotel and short-term rental activity are \$7.6 million and \$1.2 million below plan, respectively. TOT receipts have yet to return to pre-pandemic levels, and current year revenue is 2.7 percent below prior year receipts to date. (See Attachment 1F)

Power Revenue Transfer: After the adoption of the 2024-25 budget, the Board for the Department of Water and Power increased its estimate for the Power Revenue Transfer by \$0.5 million to

approximately \$228.0 million. The actual transfer amount will be confirmed by the Board once an audit of 2023-24 Power Revenue Fund financial data is completed.

Documentary transfer tax: Receipts through September are \$2.1 million below plan attributed to lower-than-anticipated sales activity. However, receipts are 12.0 percent higher than this time last year, demonstrating some recovery in both sales volume and prices since multiple interest rate increases by the Federal Reserve pushed up mortgage rates. There may be some risk in this receipt if reductions in mortgage rates lag the Federal Reserve's interest rate cuts. (See Attachment 1G)

Franchise income: Net franchise receipts through September are \$6.4 million below plan, due to a \$7.7 million shortfall in natural gas franchise income attributed to the reduction in gross receipts from the California climate credit. Offsetting the gas franchise shortfall are higher receipts in solid waste collection (\$0.6 million), cable television (\$0.4 million), official police garage (\$0.2 million), and petroleum pipeline (\$0.1) franchise fees.

Parking occupancy tax: Adjusted parking occupancy tax receipts are \$3.3 million above plan after including LATax receipts that are pending FMS recording. There can be large variability in monthly receipts.

Parking fines: Parking fine revenue through September is near plan, with twelve months of issuance and collection activity generating between \$108 million and \$111 million in receipts since April 2022.

Grant receipts: Receipts from grant revenue through September are \$6.1 million, which is approximately \$4.4 million above the budgeted plan for departmental grant revenue due to increased and prior year direct and related cost reimbursements associated for Public Works and other departments. The total grant budget includes \$208.2 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 \$215.96 million in projected overspending and unfunded items across various departments and funds.*
- *The recommendations in this FSR address \$7.33 million of this overspending leaving \$208.63 million to be addressed. This Office has identified anticipated future actions that would offset an additional \$12.78 million, reducing year-end overspending to \$195.85 million.*

Based on expenditure data through the end of August 2024, this Office has identified \$215.96 million in projected overspending and unfunded items across various departments and funds. This amount is largely due to overspending in the City Attorney (\$30.55 million), Fire (\$32.40 million),

and General Services (\$18.91 million) departments, and the Liability Claims Account (\$91.69 million). Many 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 \$30.55 million in the Office of the City Attorney primarily due to increased litigation expenses and outside counsel costs.
- Projected overspending of \$32.40 million in the Fire Department primarily due to increased retirement sick payout liabilities, overtime for fire life safety inspections and deployments in response to natural disasters, an increased backfill rate in light of sworn vacancies and attrition, unbudgeted contract obligations, increased fleet maintenance and repair costs, and increased medical and rescue supply costs.
- Projected overspending of \$18.91 million in the General Services Department primarily due to increased fuel and energy costs.
- Projected overspending totaling \$42.41 million in various departments and funds for unbudgeted contract costs, increased staff overtime in light of full-time vacancies, delays in executing contracts, unbudgeted costs associated with civilian labor agreements, projected ineligible grant costs, and increased benefits and premiums for employee benefits.
- Projected overspending of \$91.69 million in the Liability Claims Fund due to approved and pending liability payouts.

(See Table 2 on the next page)

Table 2. First FSR Projected Overspending/Unfunded Expenditures (in Millions)		
Departmental and Non-Departmental Overspending		
Department	First FSR	Reason
Aging	\$ 0.40	Overspending due to unbudgeted expenses related to the ramp down and sunseting of the Rapid Response Senior Meals Program.
City Administrative Officer	0.27	Overspending is due to unbudgeted costs associated with the civilian labor agreements approved last fiscal year.
City Attorney	30.55	Overspending is based on year-to-date and prior-year expenditure trends for litigation expenses and outside counsel costs.
Community Investment for Families	0.85	Overspending is due to higher than anticipated contract expenditures for the FamilySource Center System and Domestic Violence and Human Trafficking Shelter Operations, and contracting delays.
Controller	1.12	Overspending is due to unbudgeted costs associated with the civilian labor agreements approved last fiscal year and the inability of the Department to meet its salary savings rate in light of low staff vacancies.
Finance	1.41	Overspending is primarily due to increased staff overtime, contracting costs, and LATAX data storage and software license renewal costs.
Fire	32.40	Overspending is primarily due to increased retirement sick payout liabilities, overtime for fire life safety inspections and deployments in response to natural disasters, increased backfill rate in light of sworn vacancies and attrition, unbudgeted contract obligations, increased fleet maintenance and repair costs, and increased medical and rescue supply costs.
General Services	18.91	Overspending is primarily due to increased petroleum and fleet maintenance costs.
Housing	0.01	Overspending is primarily due to unfunded grant administrative salary costs and Proposition HHH Program ineligible salary costs.
Personnel	0.57	Overspending is primarily due to an unbudgeted increase in reimbursement rates for Sexual Assault Response Team examinations.
Police	12.41	Overspending is primarily due to the increased use of sworn overtime.
Bureau of Sanitation	1.96	Overspending is primarily due to a projected increase in CARE/CARE+ service days and increased use of staff overtime in light of full-time vacancies.
Bureau of Street Services	0.18	Overspending is due to special event services provided by the Bureau that have not yet been reimbursed.
Transportation	12.21	Overspending is primarily due to unbudgeted costs associated with the civilian labor agreements approved last fiscal year, increased staff overtime in light of full-time vacancies and unbudgeted contract costs.
Non-Departmental		
Repair and Demolition Fund	0.92	Overspending is due to reduced cash flow due to delays in property owner reimbursements and the Mayor's Tolling Order during the COVID-19 emergency declaration.
Human Resources Benefits	10.10	Overspending is due to higher benefits and premium costs than assumed in the budget.
Liability Claims	91.69	Overspending is due to approved and pending liability payouts.
Total Year-End Overspending	\$ 215.96	

Current Year Budget Balancing

As noted in Table 3 below, the recommendations in this report are expected to reduce the year-end overspending from \$215.96 million to \$208.63 million. This Office has identified potential future actions totaling \$12.78 million, which could further reduce the remaining year-end overspending to \$195.85 million. The majority of the potential future actions, however, is the Unappropriated Balance, Department Payroll Reconciliation Account. A significant portion of this Account must be preserved to pay for the costs of the pending Fire sworn agreements, which are not included in the overspending projections included in this FSR. Departments must absorb or manage remaining costs within existing funds and retain projected surpluses to the greatest extent possible. The City cannot rely on the Reserve Fund to balance the budget and needs to begin work to rebuild the Reserve Fund balance to a healthy level.

Table 3. 2023-24 Budget Balancing Solutions		
First FSR Overspending	\$ (215.96)	
First FSR Recommendations		
Disencumbrance and Reappropriation of Prior-Year Funds	\$ 1.04	Disencumber and reappropriate prior-year funds to offset overspending in the Aging and Community Investment for Families Departments.
UB - Ground Emergency Medical Transport Program	6.11	Transfer to Fire for the payment of the second quarterly invoice for the PP-GEMT-IGT Program.
Appropriation of Reimbursement Revenues for Special Events	0.18	Transfer to the Bureau of Street Services from the Road Maintenance and Rehabilitation and BSS Transaction funds to reimburse the Bureau for special events services and support for the LA28 Olympic Games
Subtotal	\$ 7.33	
Potential Future Actions		
Projected Departmental and Non-Departmental Surpluses	12.78	Transfer surpluses from departmental and non-departmental accounts to partially address Citywide overspending.
Subtotal	\$ 12.78	
Year-End Overspending	\$ (195.85)	

City Reserves

Key Findings/Recommendations

- *After accounting for transactions approved since July 1, pending transfers, and the recommendations in this report, the Reserve Fund balance is \$312.80 million, which represents 3.89 percent of the General Fund budget, which is below the five percent Reserve Fund policy.*
- *The previously approved transfer to partially cover liability claims overspending exhausted the Unappropriated Balance, Reserve for Mid-Year Adjustments Account.*
- *In addition to the approved transactions to address liability claims, the City Attorney identified \$91.69 million in overspending for settlements and judgments not yet transmitted to Council for approval. If approved, the transfers would reduce the Reserve Fund balance to 2.75 percent, which is the Emergency Reserve Account level.*
- *If the City is not able to identify other solutions to address approximately \$124 million of additional overspending we detail in this report, the City’s use of the Reserve Fund to address this overspending or for other purposes would result in the Reserve Fund dropping below the 2.75 percent Emergency Reserve Account level. Reducing the Reserve Fund below the Emergency Reserve Account level and taking funds at any point thereafter, requires the City Council to make a finding of urgent economic necessity.*
- *The City maintains budgetary reserves designed to help manage its risks and ensure sufficient resources to meet contingencies. The City’s reserves total approximately \$516.48 million or 6.43 percent of the total 2024-25 General Fund revenue.*

Table 4. Total City Reserves			
Reserves	Balance (In Millions)	%	Purpose
UB, 2024-25 Reserve for Mid-Year Adjustments account	\$ 0.00	0.00%	Available to address shortfalls that may arise throughout the year.
Reserve Fund	312.80	3.89%	Preserved for the most critical needs and matters of urgent economic necessity and are not to be used for ongoing expenses.
Budget Stabilization Fund	203.68	2.54%	Restricted for the maintenance of service levels during years of slow growth and declining revenue.
Total Reserves	\$ 516.48	6.43%	

Unappropriated Balance, Reserve for Mid-Year Adjustments

The 2024-25 Adopted Budget includes \$59.38 million in the UB, Reserve for Mid-Year Adjustments Account. The City should use this account prior to the other reserves. In September 2024, Council and Mayor approved a transfer of the entire \$59.38 million to the Liability Claims Account. This action exhausted the full balance of the UB Reserve for Mid-Year Adjustments Account.

Reserve Fund

Attachment 2 – Current Status of Reserve Fund

Attachment 2A – Schedule of Reversions to the Reserve Fund and Other Funds

Recommendation Nos. 31 and 32

According to the Office of the Controller, the preliminary June 30, 2024, Reserve Fund cash balance was \$671.91 million. After the return of short-term loans made by the Controller at year end, adjustments initiated in the prior year and the 2024-25 Adopted Budget, and the budget appropriation of General Fund to the Reserve Fund of \$37.76 million, the July 1, 2024 Available Balance was \$330.58 million (see Table 5 below). This represented 4.12 percent of the General Fund Budget and was approximately \$76.36 million less than the 2024-25 Budget of \$406.94 million.

Table 5			
2024-25 Reserve Fund Available Balance as of July 1, 2024			
(millions)			
	Budget	Actual	Difference
Cash Balance, June 30*	\$656.50	\$671.91	\$15.41
Other Adjustments	(287.32)	(379.09)	(91.77)
General Fund Appropriation to Reserve Fund	37.76	37.76	-
July 1 Available Balance	\$406.94	\$330.58	\$(76.36)
Emergency Account	\$220.91	\$220.91	-
Contingency Account	186.03	109.67	\$(76.36)
Reserve Fund as Percent of General Fund	5.07%	4.12%	(0.95)%

*reflects \$547.73 million in year-end reversions as detailed in Attachment 2A

After accounting for transactions approved since July 1, pending transfers, and the recommendations in this report, the Reserve Fund balance is \$312.80 million, which consists of \$220.91 million in Emergency Reserve and \$91.89 million in Contingency Reserve. This balance represents 3.89 percent of the General Fund budget, which is below the five percent Reserve Fund policy.

The Reserve Fund balance of \$312.80 million reflects a net reduction of approximately \$17.78 million from the July 1, 2024 balance of \$330.58 million. Among the transactions contributing to the decrease is \$23.24 million to the liability Claims Account (C.F. 24-1060) and \$10.00 million to front fund the Consolidated Plan Grants Loan expenditures (C.F. 24-0500), partially offset by a

recommendation in this report to transfer \$6.73 million of interest income within the Engineering Special Services Fund to the Reserve Fund and various other receipts.

In addition to approved transactions accounted for in this report to address liability claims, the City Attorney identified an additional \$91.69 million in overspending for settlements and judgments not yet transmitted to Council for approval. If approved, the Reserve Fund balance would be reduced to 2.75 percent of the General Fund budget, which is the Emergency Reserve Account level.

This report presents further current year anticipated overspending of \$124.27 million that may require the use of the Reserve Fund if the City is not able to identify other solutions. The use of the Reserve Fund to cover the additional overspending would reduce the Reserve Fund balance to \$96.84 million, which is 1.21 percent of the General Fund budget.

In order to make a transfer that results in the Reserve Fund dropping below the 2.75 percent Emergency Reserve Account level, the City Council must make a finding of *urgent economic necessity* concurrent with the transfer. A finding of *urgent economic necessity* is different from a declaration of fiscal emergency. The basis for such a finding includes, but is not limited to, a significant economic downturn after the adoption of the budget, a natural disaster, or another significant unanticipated event requiring the use of the General Fund.

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 sworn Fire unions and the realization of any of the downside risks to revenues that we have identified in this report. In light of these potential uses and the critical importance to retain the full Emergency Reserve Account, this Office recommends the City continue to take steps to protect and restore the Reserve Fund to the five percent minimum policy. In this report, we both described the steps that the City has already taken to support the restoration of the Reserve Fund and recommend additional actions to support these efforts.

Budget Stabilization Fund

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 BSF is \$203.68 million. Pursuant to the City's Financial Policies, the BSF is only intended for use at the time of the adoption of the budget to offset below-average revenue growth. In light of the depleted level of the City's total reserves and the structural imbalance of the City's budget for the next three years, we recommend retaining the current BSF amount for budget balancing in future years.

Issues of Concern

Key Findings/Recommendations

- *Additional internal and external factors that may have an impact on the City include costs associated with the employee union negotiations.*

Employee Union Negotiations

The City has reached a Tentative Agreements with four bargaining units (MOUs 5, 23, 26, and 66) and this Office is still negotiating a successor agreement with the Los Angeles Fire Department Chief Officers' Association. This Office anticipates a report on the ratified Tentative Agreements by the end of October 2024. The projections in this report do not include costs associated with these agreements, however, the 2024-25 Budget includes \$104.83 million in the Unappropriated Balance, Department Payroll Reconciliation Account to address the anticipated costs for these agreements. If the actual cost of these agreements is higher than budgeted, identified overspending will increase. This Office will report in future FSRs with updates on employee union negotiations and with cost projections for any approved agreements.

Judgment Obligation Bonds No Recommendation

As discussed, a major contributing factor to the City's financial challenges stems from the extraordinary amount of liability claims payouts incurred this fiscal year (see Status of Liability Claims section for discussion). Thus far, the City has fully exhausted its budgeted Liability Claims Account and drawn from General Fund reserves to make the required payouts for settlements and judgments that have been approved. Additional settlements and judgments totaling \$91.69 million have been identified that have been finalized. There are no available funds within the budget to make these payouts, once approved by Council. The only remaining source of funds available to pay these settlements and judgments is through interfund loans or advances from the Reserve Fund or special funds.

The Reserve Fund is expected to reach the 2.75 percent Emergency Reserve Account level, which puts the City at risk of not being able to address unforeseen emergencies for the remainder of the fiscal year. In order to preserve the Reserve Fund, this Office recommends that the City immediately begin the process of issuing Judgment Obligation Bonds (JOBs). While not an ideal use of debt financing, JOBs are a budgetary tool used under extraordinary circumstances. JOBs are required as there are no other sources of available funds this fiscal year to pay the remaining anticipated settlements and judgments. Issuing JOBs would allow the City to reimburse the Reserve Fund (or other City funds) should the judgments be initially paid for with interfund loans or advances from the Reserve Fund (or other City funds).

A JOB issuance would require future Mayor and Council approval. Once a final list of approved cases have been identified to be included in a JOB financing, this Office will present a report to the Mayor and Council requesting authority to approve and authorize the issuance of the JOBs and the indenture by which the JOBs would be issued, and to validate such matters in court. There is, however, no obligation to issue JOBs with the adoption of the resolution with that future report. Once the court validation process is completed, this Office would return to the Mayor and Council for the approval of certain documents to be delivered in connection with the sale of the JOBs. Generally, court validations and subsequent issuance of JOBs require a four-to-five month period, assuming no challenges, which is why it is imperative that the process begin now. The issuance of

JOBs would not cause the City to exceed the six percent non-voter approved debt limit. The 2024-25 non-voter approved debt ratio is 2.63 percent, which is considered a low to medium scale on the debt criteria used by the rating agencies.

Four-Year Budget Outlook

Attachment 10 – Four-Year General Fund Budget Outlook

The 2024-25 Adopted Budget Outlook projects a shortfall for the next three years and a surplus in 2028-29. The following may further increase these projected shortfalls:

- *Declines in revenue or an economic downturn.*
- *Increases in employee costs and pension contributions resulting from pending labor agreements above the estimates already incorporated in the Outlook.*
- *Extraordinary liability payouts.*
- *Costs associated with major construction projects.*
- *Increased investment on homelessness initiatives.*

The 2024-25 Adopted Budget Four-Year Outlook (Outlook) reflects the current-year budget and projections of revenues and expenditures over the next four years. At the time of the Adopted Budget, this Office projected shortfalls over the next three years before a surplus is realized in 2028-29. Specifically, Attachment 10 illustrates that the City projects to have shortfalls of \$61.1 million in 2025-26, \$198.6 million in 2026-27, and \$74.8 million in 2027-28 and a surplus of \$160 million in 2028-29.

The Outlook made several assumptions that, if not met, will change future year projections. The Outlook reflects continuing revenue growth through 2028-29 based on historical averages. The 2023-24 fiscal year did not meet the City's anticipated revenue targets. If the revenue again falls short of budgeted projections or declines from of an economic downturn, it will reduce projected surpluses. The Outlook assumes the size of the workforce will remain flat after 2024-25 with no major changes in City services.

The Outlook does not assume the occurrence of a recession, continuing inflation, or ongoing extraordinary liability payouts.

A majority of civilian labor agreements and the sworn bargaining units for the Police Department were approved in 2023-24. The Outlook reflects the employee compensation adjustments and associated pension costs consistent with these labor agreements. The City is also in current negotiations with the United Firefighters of Los Angeles City (UFLAC) and the Fire Chief Officers Representation Unit. The Outlook assumes an estimated fiscal impact from these pending labor agreements. The final agreements, however, may exceed the estimates assumed in the Outlook.

The projected shortfalls also do not take into account costs associated with major construction projects including the Convention Center, the Civic Center Master Plan, the Los Angeles River Revitalization Master Plan, the Olympics and Paralympics, or the mitigation of stormwater pollution.

In addition, the Adopted Outlook does not assume the continuation of one-time funding that was provided in 2024-25 for homelessness.

This Office will continue to monitor these issues and make adjustments to the Outlook as part of the Mayor's Proposed Budget for 2025-26.

Budgetary Adjustments

Budgetary adjustments totaling approximately \$832.76 million are recommended in Sections 1, 2, and 5 of this report which include:

- \$4.00 million in new appropriations;
- \$19.83 million for transfers between accounts within various departments and funds;
- \$28.73 million for transfers between various departments and funds;
- \$6.96 million in appropriations from the Unappropriated Balance;
- \$761.57 million in reductions to special fund appropriations
- \$6.98 million in transfers to the Reserve Fund
- \$2.38 million in disencumbrances and reappropriations
- \$2.15 million in other appropriation adjustments

Attachments

- 1A 2023-24 Adopted and Revised General Fund Revenue
- 1B 2024-25 Adopted General Fund Revenue through September
- 1C Property Tax by Account
- 1D Business Tax – All Sources
- 1E Utility Users Tax – All Sources
- 1F Transient Occupancy Tax – All Sources
- 1G Documentary Transfer Tax – All Sources
- 2 Current Status of Reserve Fund
- 2A Schedule of Reversions to the Reserve Fund and Other Funds
- 3 New Appropriations
- 4 Transfers between Accounts within Departments and Funds
- 5 Transfers between Departments and Funds
- 6 Appropriations from the Unappropriated Balance
- 7A Status of the Unappropriated Balance-General Account
- 7B Status of the Unappropriated Balance-Reserve for Mid-Year Adjustments
- 7C Status of the Unappropriated Balance-non-General Account
- 8 Status of Liability Claims Account
- 9 Employment Level Report
- 10 Four-Year General Fund Budget Outlook

RECOMMENDATIONS

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

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

1. Appropriate \$4,004,000.35 to various department and fund accounts as specified in Attachment 3;
2. Transfer \$19,825,209.54 between accounts within various departments and funds as specified in Attachment 4;
3. Transfer \$28,734,550.71 between various department and funds as specified in Attachment 5;
4. Transfer \$6,964,233.00 from the Unappropriated Balance to various departments and funds as specified in Attachment 6;
5. Instruct the CAO to initiate a budget balancing exercise, including but not limited to evaluating available departmental and non-departmental surpluses, delaying contracts and infrastructure projects, increasing revenue collections, shifting employees from positions paid by the General Fund or subsidized specials funds pay to fully-funded special funds, and reducing appropriations, and report on the exercise results (no later than the Mid-Year FSR) with a discussion of the potential service impacts of all proposed reductions.
6. Instruct General Managers to retain the General Fund surpluses for their departments identified in this report to be used for future Citywide budget balancing.
7. Continue the prioritized critical hiring process through the remainder of the fiscal year and re-evaluate its use within the context of the 2025-26 Budget Development Process and the City's compliance with its Financial Policies, and in particular the Reserve Fund being restored to the five percent policy level.
8. Instruct General Managers to refrain from requesting new Reserve Fund loans and instruct the CAO to report on the fiscal impact of all requests made along with recommendations that account for the fiscal impact, and to report on opportunities to expedite the repayment of outstanding Reserve Fund loans.
9. Instruct the CAO and request the City Attorney to pursue the necessary steps to enable the City to issue a judgment obligation bond with the intent of reimbursing the Reserve Fund for transfers made from the Reserve Fund to pay for liability costs, recognizing that the City Council and Mayor would have to approve any such bond issuance before proceeding.
10. Instruct the CAO to review off-budget special funds that have had no activity in recent years and identify any portion of the balances in these special funds could be used for budget balancing.

American Rescue Plan Act

11. Appropriate the available cash balance, up to \$4,804 within the American Rescue Plan Act Fund, No. 64M, to City Administrative Officer Fund No. 100/10, Account 003040, Contractual Services, to fund the 2024-25 costs for ARPA administration consultant support.

Aging

12. Authorize the Controller to disencumber \$104,409 from the 2023-24 encumbered balances within Aging’s Contractual Services funding and revert \$104,409 to the Reserve Fund from the following contracts:

- a. C-145224-1 (Noyon Inc. dba Sushi Koo): \$26,102
- b. C-145223-1 (Revolution Foods, PBC): \$26,103
- c. C-145222-1 (MBM Hospitality dba Made By Meg): \$26,102
- d. C-145422-1 (Everytable, PBC): \$26,102

Subsequently transfer \$104,409 to the Unappropriated Balance, and appropriate therefrom to the 2024-25 Aging Fund No. 100/02 as follows, for the Rapid Response Senior Meals Program:

Account No.	Account Name	Amount
001010	Salaries General	\$58,409
001070	Salaries, As-Needed	41,000
006010	Office and Administrative	5,000

Cannabis Regulation

13. Authorize the Controller to reduce appropriations in the total amount of \$14,318,003.44 within the Cannabis Regulation Special Revenue Trust Fund No. 60E to reflect actual appropriations to and expenditures from the Fund, as shown in the table below. The below changes will ensure appropriations are aligned with available cash in the Fund.

Account	Account Name	Current Budget	Total Reductions	Revised Budget
13R203	Social Equity Fee Deferral Program	\$684,989.00	(\$638,780.00)	\$46,209.00
13T300	Local Equity Grant Funding	\$7,601,170.61	(\$1,046,977.00)	\$6,554,193.61
13T302	2021 Cannabis Equity Grant	\$1,827,997.42	(\$1,232,345.00)	\$595,652.42
13V305	2022 Local Jurisdiction Assistance Grant	\$16,344,500.71	(\$815,041.97)	\$15,529,458.74
13W300	Local Equity Grant Funding	\$6,500,000.00	(\$6,500,000.00)	\$0.00
13W306	2023 Cannabis Equity Grant	\$1,984,947.11	(\$19,849.47)	\$1,965,097.64
13R201	Cannabis Policy and Analysis	\$65,010.00	(\$65,010.00)	\$0.00
13Y300	Local Equity Grant Funding	\$4,000,000.00	(\$4,000,000.00)	\$0.00
TOTAL		\$39,008,614.85	(\$14,318,003.44)	\$24,690,611.41

Community Investment for Families

14. Authorize the Controller to disencumber up to \$150,000 in Fiscal Year 2023-24 encumbered balances for Contract No. C-142042 with Slalom, Inc. (SC 21 CO24142042P) within the Community Investment for Families Department Fund No. 100/21, Account No. 003040, Contractual Services, process the early reversion of the disencumbered amount to the Reserve Fund. No. 101/62, subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom into the same account in the same amount to complete the development of the case management system replacement.

15. Authorize the Controller to disencumber up to a total of \$389,411 in Fiscal Year 2023-24 encumbered balances for the FamilySource System (FSS) and the Domestic Violence and Human Trafficking (DV/HT) Shelter Operations within the Community Investment for Families Department Fund No. 100/21, Account No. 003040, Contractual Services, process the early reversion of the disencumbered amount to the Reserve Fund. No. 101/62, subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom into the same account in the same amount to support the FSS and DV/HT Shelter Operations to cover reductions in 2024-25 grant allocations.

16. Realign appropriations within the Community Services Block Grant Trust Fund No. 428/21 with available grant funds:
 - a. Increase appropriations totaling \$224,943.36 within the Community Services Block Grant Trust Fund No. 428/21, Account No. 21A121, Community Investment for Families;

 - b. Increase appropriations in the amount of \$18,262.28 within the Community Services Block Grant Fund No. 428/21, Account No. 21A299, Reimbursement of General Fund Costs; and

 - c. Increase and reduce appropriations within the Community Investment for Families Department Fund No. 100/21 as follows:

Account	Account Name	Amount
001010	Salaries, General	33,728.12
001070	Salaries, As-Needed	36,073.82
001090	Overtime General	3,893.00
002120	Printing and Binding	4,601.20
002130	Travel	(158.00)
003040	Contractual Services	14,645.09
003310	Transportation	16,506.94
006010	Office and Administrative	115,862.19
006020	Operating Supplies	(215.00)
	Total	\$224,943.36

17. Authorize the Controller to disencumber up to a total of \$100,000 in Fiscal Year 2023-24 encumbered balances for Contract C-144813 with the California State University Northridge (SC 21 CO24144813Y) within the Community Investment for Families Department Fund No. 100/21, Account No. 003040, Contractual Services, process the early reversion of the disencumbered amount to the Reserve Fund. No. 101/62, subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom into the same account in the same amount to complete FamilySource System evaluation services through September 30, 2024.
18. Authorize the Controller to process the early reversion of the Fiscal Year 2023-24 disencumbered balance up to \$151,999.89 for Contract No. C-138757 with Jenesse Center, Inc. (SC 21 CO24138757Y) to the Reserve Fund. No. 101/62, subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom into the same account in the same amount to continue the Crisis to Shelter Program in 2024-25.
19. Authorize the Controller to process the early reversion of the Fiscal Year 2023-24 disencumbered balance up to \$509,920.05 within the Community Investment for Families Department Fund No. 100/21, Account No. 003040, Contractual Services Account to the City of Los Angeles Affordable Housing Fund No. 44G/43, and appropriate therefrom to the same account into the same amount to pay up to \$79,380 in June 2024 expenditures for temporary housing costs and to continue to pay for temporary housing costs and the Neighborhood Recovery Center associated with the fireworks explosion on East 27th Street in 2024-25.

Disability

20. Authorize the Controller to disencumber up to \$68,702.01 in Fiscal Year 2019-20 encumbered balances for Contract No. C-135869, C-135872 and C-135873 within Fund No. 100/65, Account No. 003040, Contractual Services, and revert the disencumbered amount to Fund 60B, Certified Access Specialist Certification and Training Fund, and reappropriate therefrom to Department of Disability Fund No. 100/65, Accounting No. 003040, Contractual Services to support CASp activities.
21. Authorize the Controller to disencumber up to \$65,307 in Fiscal Year 2020-21 encumbered balances for Contract No. C-135872 within Fund No. 100/65, Account No. 003040, Contractual Services, and revert the disencumbered amount to Fund 60B, Certified Access Specialist Certification and Training Fund, and reappropriate therefrom to Department of Disability Fund No. 100/65, Accounting No. 003040, Contractual Services to support CASp activities.
22. Authorize the Controller to disencumber up to \$59,803.62 in Fiscal Year 2022-23 encumbered balances for Contract No. C-135868, C-135870, C-135871, C-135872, and C-135873 within Fund No. 100/65, Account No. 003040, Contractual Services, and revert the disencumbered amount to Fund 60B, Certified Access Specialist Certification and Training Fund, and reappropriate therefrom to Department of Disability Fund No. 100/65, Accounting No. 003040, Contractual Services to support CASp activities.

23. Authorize the Controller to disencumber up to \$146,442.48 in Fiscal Year 2023-24 encumbered balances for Contract No. C-135868, C-135869, C-135870, C-135871, C-135872, and C-135873 within Fund No. 100/65, Account No. 003040, Contractual Services, and revert the disencumbered amount to Fund 60B, Certified Access Specialist Certification and Training Fund, and reappropriate therefrom to Department of Disability Fund No. 100/65, Accounting No. 003040, Contractual Services to support CASp activities.

Fire

24. Authorize a transfer of \$2,000,000 from the Harbor Department’s Harbor Revenue Fund, Fund 702/42 to the receipts in Fire Department Fund 100/38, Revenue Source Code 419601 - Service to Harbor-Boat Maintenance. Upon receipt of funds from the Port of Los Angeles, appropriate the additional receipts to the Fire Department, Fund 100/38, Account 003090, Field Equipment Expense, as front funding for fire boat maintenance and repairs for Fireboats 1, 2, 3, 4, and 5. Instruct the Fire Department to provide evidence of expenditures with proper documentation including City purchase orders, vendor invoices, and other proof of payment submit billings on no less than a biannual basis to conduct an annual reconciliation of expenditures for Fiscal Year 2024-25. The Fire Department will return all unspent, unreconciled, and unbilled amounts deposited into Revenue Source Code 419601 – Services to Harbor-Boat Maintenance from this authorized transfer in FY 2024-25 to the appropriate revenue fund within the Harbor Department’s Harbor Revenue Fund 702/42, Revenue Source Code 5166. Unspent funds transferred from the Harbor Department to the Fire Department in this authorized transfer will not be returned to or deposited into the City’s General Fund.

Housing

25. Reduce appropriations totaling \$1,129,426 from the HOME-ARP (65M/43) Administrative Reserve Account to align the budget appropriations with the available grant balance.

Account Number	Appr Account Name	Amount
43VB82	Adm Reserve - LAHD	\$ 1,000,004.59
43VB83	Adm Reserve - CIFD	\$ 129,421.41
	TOTAL	\$ 1,129,426.00

26. Reduce appropriations totaling \$22,065,125.48 from prior year accounts within the Affordable Housing Trust Fund (44G/43) to align appropriations with the available cash balance.

Account Number	Appr Account Name	Amount
43T143	Housing and Community Investment	\$10.00
43V143	Housing and Community Investment	\$39,398.10
43W143	Los Angeles Housing Department	\$255,355.08
43W299	Reimbursement of GF	\$323,688.19
43W411	Unallocated	\$8,971,943.11
43Y411	Unallocated	\$7,589,731.00
43A411	Unallocated	\$4,885,000.00
	TOTAL	\$22,065,125.48

27. Reduce appropriations totaling \$25,836,120.79 from prior year accounts within the Municipal Housing Finance Fund (815/43) to align appropriations with the available cash balance.

Account Number	Appr Account Name	Amount
43T143	Housing and Community Investment	\$70.00
43V143	Housing and Community Investment	\$144,762.75
43W110	City Administrative Officer	\$18,024.87
43W112	City Attorney	\$12,149.15
43W139	Finance	\$38,934.76
43W143	Los Angeles Housing Dept	\$643,760.76
43W166	Personnel	\$49,995.09
43W168	City Planning	\$467.30
43W299	Reimbursement of GF	\$29,601.47
43W411	Unallocated	\$17,255,948.64
43Y411	Unallocated	\$7,642,406.00
	TOTAL	\$25,836,120.79

28. Reduce appropriations totaling \$400,984.75 from prior year accounts within the Low and Moderate Income Housing Fund (55J/43) to align appropriations with the available cash balance.

Account Number	Appr Account Name	Amount
43N628	Technical RFP Yr	\$14,000
43R722	Technical Contracts	\$129,457.25
43S722	Technical Contracts	\$257,527.50
	TOTAL	\$400,984.75

29. Reduce appropriation totaling \$697,824,410.51 from prior and current year accounts within the House LA Fund (66M/43) to align appropriations with the expenditure plans (C.F. 23-0038-S-7; approval pending).

Account Number	Appr Account Name	Amount
43Y00B	Administration	\$40,450,823.13
43Y00C	Affordable Housing Programs	\$320,953,509.00
43Y00D	Homelessness Prevention Programs	\$101,368,019.38
43A00B	Administration	\$14,307,032
43A00C	Affordable Housing Programs	\$129,406,587
43A00D	Homelessness Prevention Programs	\$91,338,440
	TOTAL	\$697,824,410.51

Mayor

30. Authorize the Controller to disencumber up to \$552,298.38 in Fiscal Year 2020-21 encumbered balances for the Gang Reduction and Youth Development (GRYD) service provider contracts within the Mayor’s Fund 100/46, Account No. 003040, Contractual Services, and revert the unencumbered funds to the Reserve Fund No. 101/62, and subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the same account in the same amount to support GRYD contracts in 2024-25.

Public Works – Board

31. Authorize the Controller to disencumber up to \$250,000 in Fiscal Year 2023-24 encumbered balances for Contract No. C-138814, Liberty Hill Foundation (SC 74 CO24138814M) within the Board of Public Works, Fund No 100/74, Account No. 003040 Contractual Services, and process the early reversion of the disencumbered amount to the Reserve Fund. No. 101/62.

Public Works – Engineering

32. Authorize the Controller to transfer a total of \$6,726,467 from Revenue Source Code 4903 Interest Income within the Engineering Special Services Fund No. 682/50, to the Reserve Fund No. 101/62 for budget balancing pursuant to instructions included in the 2024-25 Adopted Budget (C.F. 24-0600).

Public Works – Street Lighting

33. Rescind Recommendation No. 5 included in C.F. 19-0898-S4 to transfer \$150,000 from the Digital Inclusion Fund No. 65Q/50, Universal Broadband Services Account No. 50VUBS to the Bureau of Street Lighting’s Contractual Services Account to pay for the purposes of front-funding the “LA-BSL Destination Crenshaw – Digital Equity Zone project.” The required funds have already been directly transferred from the Digital Inclusion Fund to Destination Crenshaw in August 2024.

Technical

34. 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 \$215.96 million in projected over-expenditures are identified in the First Financial Status Report. Transfers, appropriations, and other budgetary adjustments totaling approximately \$832.76 million are recommended in Sections 1, 2, and 5 of this report. This includes \$6.73 million in transfers to the Reserve Fund.

FINANCIAL POLICIES STATEMENT

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

DISCUSSION

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

Section 1. Status of Departmental Budgets28
 Section 2. Status of Non-Departmental Funds and Special Accounts93
 Section 3. Status of Employment96
 Section 4. Status of State Budget.....96
 Section 5. Status of American Rescue Plan Act – State and Local Fiscal Recovery Funds....98

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
Recommendation No. 12**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (0.35)	\$ 0.06	Projected overspending due to unbudgeted expenses related to the ramp down and sunseting of the Rapid Response Senior Meals Program.
Salaries As-Needed	(0.10)	0.04	
Office and Administrative	(0.01)	0.01	
General Fund Total	\$ (0.46)	\$ 0.10	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.10	\$ -	Projected surpluses are based on projected expenditures in light of reduced grant awards to the Department. The Department anticipates reducing expenditures in these account to eliminate the projected surplus by year end, because this amount is not supported by cash.
Salaries As-Needed	0.02	-	
Special Funds Total	\$ 0.12	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 0.40	\$ 0.40	\$ -	This Office anticipates the Department will meet its General Fund revenue budget by year end.

Rapid Response Senior Meals Program (RRSMP)

The 2024-25 Adopted Budget authorized the reappropriation of \$2.7 million in 2023-24 RRSMP savings to cover the ramp down costs associated with the RRSMP in the current fiscal year. The RRSMP ended on August 31, 2024. As the Department inadvertently excluded the costs for staffing and office and administrative expenses, all funds were designated for contractual services. As a result, the Department requested a transfer of \$104,409 from RRSMP contractual services savings to cover these unbudgeted expenses. Of the \$2.7 million appropriation, \$2,606,591 will be applied to RRSMP contractual services and \$104,409 will be allocated for administrative expenses. The Contractual Services funds were fully encumbered at the close of 2023-24. To partially offset projected General Fund overspending related to the RRSMP, we recommend the disencumbrance and reappropriation of \$104,409 in prior-year RRSMP contract funding. This Office will continue to work with the Department to monitor these RRSMP expenditures, and report with updates and any recommendations necessary to address any remaining overspending in future FSRs.

This Office recommends the following transaction at this time:

- Authorize the Controller to disencumber \$104,409 from the 2023-24 encumbered balances within Aging’s Contractual Services funding and revert \$104,409 to the Reserve Fund from the following contracts:
 - C-145224-1 (Noyon Inc. dba Sushi Koo): \$26,102

- C-145223-1 (Revolution Foods, PBC): \$26,103
- C-145222-1 (MBM Hospitality dba Made By Meg): \$26,102
- C-145422-1 (Everytable, PBC): \$26,102

Subsequently transfer \$104,409 to the Unappropriated Balance, and appropriate therefrom to the 2024-25 Aging Fund No. 100/02 for the Rapid Response Senior Meals Program, as follows:

Account No.	Account Name	Amount
001010	Salaries General	\$58,409
001070	Salaries, As-Needed	41,000
006010	Office and Administrative	5,000

B. Animal Services
No Recommendation

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.41	\$ -	Projected surplus is due to staff vacancies.
Overspending (Shown as Negative, in millions)			
Salaries As-Needed	(0.09)	-	Projected overspending is based on prior-year expenditure trends.
General Fund Total	\$ 0.32	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 3.42	\$ 2.18	\$ (1.24)	Projected revenue shortfall is primarily due to reduced breeder license fee, dog pound fee, and film permit receipts based on year-to-date trends.

This Office anticipates that the projected Salaries As-Needed overspending will be addressed by a transfer from the Salaries General surplus. This Office will continue to work with the Department to monitor its expenditures and report in future FSRs with recommendations necessary to address projected overspending. This Office does not recommend any transactions at this time.

**C. Building and Safety
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$2.02	\$ -	Projected surplus is due to staff vacancies. The Department has a 19 percent vacancy rate.
Other Surplus Accounts	0.59	-	Projected surpluses in several accounts are based on year-to-date and prior-year expenditure trends.
General Fund Total	\$ 2.61	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 20.93	\$ -	Projected surplus is due to staff vacancies. The Department has a 19 percent vacancy rate.
Other Surplus Accounts	4.07	-	Projected surpluses in several accounts are based on year-to-date and prior-year expenditure trends.
Special Funds Total	\$ 25.00	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 87.03	\$ 72.13	\$ (14.90)	Projected revenue shortfall is due to reduced related costs reimbursements associated with special funded vacancies.

Repair and Demolition Fund

The Repair and Demolition Fund (Fund) partially funds the Department's Salaries General Account in the amount of \$423,424. 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 2022-23, the Mayor and Council approved a Reserve Fund loan of \$404,657 to address the Fund's cash flow issues. In addition, \$857,000 was transferred to Fund 346 from the Building and

Safety Permit Enterprise Fund as a loan for urgent abatement and demolition needs (CF 23-0941). The Fund revenues to-date are \$255,280 and the Department has submitted an additional amount of \$536,312 to the County for direct assessment. Based on current projected year end revenue and outstanding loans we project a year-end revenue shortfall of approximately \$0.92 million. We will continue to work the Department to monitor the Fund’s revenues and expenditures, and report with updated projections and recommendations necessary to address the projected shortfall.

This Office does not recommend any transactions at this time.

**D. Cannabis Regulation
Recommendation No. 13
Attachment 5 – Transfers between Departments and Funds**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Contractual Services	\$ 1.00	\$ (1.00)	Projected surplus is due to funds for the Social Equity Program included in the Department's operational accounts rather than as an appropriation to the special fund consistent with prior-year accounting.
General Fund Total	\$ 1.00	\$ (1.00)	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.10	\$ -	Projected surplus is due to staff vacancies.
Special Funds Total	\$ 1.10	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 4.83	\$ 4.83	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office recommends the following transactions at this time:

- Authorize the Controller to reduce appropriations in the total amount of \$14,318,003.44 within the Cannabis Regulation Special Revenue Trust Fund No. 60E to reflect actual appropriations to and expenditures from the Fund, as shown in the table below. The Department has conducted an extensive reconciliation of the Fund to review appropriations to the Social Equity Program and expenditures of grant funds on deposit in the Fund. The below changes will ensure appropriations are aligned with available cash in the Fund.

Account	Account Name	Current Budget	Total Reductions	Revised Budget
13R203	Social Equity Fee Deferral Program	\$684,989.00	(\$638,780.00)	\$46,209.00
13T300	Local Equity Grant Funding	\$7,601,170.61	(\$1,046,977.00)	\$6,554,193.61
13T302	2021 Cannabis Equity Grant	\$1,827,997.42	(\$1,232,345.00)	\$595,652.42
13V305	2022 Local Jurisdiction Assistance Grant	\$16,344,500.71	(\$815,041.97)	\$15,529,458.74
13W300	Local Equity Grant Funding	\$6,500,000.00	(\$6,500,000.00)	\$0.00
13W306	2023 Cannabis Equity Grant	\$1,984,947.11	(\$19,849.47)	\$1,965,097.64
13R201	Cannabis Policy and Analysis	\$65,010.00	(\$65,010.00)	\$0.00
13Y300	Local Equity Grant Funding	\$4,000,000.00	(\$4,000,000.00)	\$0.00
TOTAL		\$39,008,614.85	(\$14,318,003.44)	\$24,690,611.41

- Transfer \$1,000,000 from the Department’s Contractual Services account to a new account in the Cannabis Regulation Special Revenue Trust Fund, entitled Social Equity Program, for the Department’s Social Equity Program’s Business, Licensing, and Compliance Assistance Program.

**E. City Administrative Officer
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.37)	-	Projected overspending is due to unbudgeted costs associated with the civilian labor agreements approved last fiscal year.
General Fund Total	\$ (0.37)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 7.28	\$ 7.28	\$ -	The Office anticipates meeting its General Fund revenue budget by year end.

This Office will continue to monitor its expenditures and will report in future FSRs with recommendations necessary to address projected overspending.

This Office recommends the following transaction at this time:

- Transfer \$74,200 from CTIEP Fund No. 100/54, Verde Street (2401) Remedial Slope Mitigation Account No. 00V701 to the Office of the City Administrative Officer Contractual Services Account to fund an update of the Revenue Requirements Study for the City Street Lighting System.

F. City Attorney

Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (0.95)	\$ (0.62)	Projected overspending is due to unbudgeted costs associated with the civilian labor agreements approved last fiscal year.
Overtime General	(0.37)	0.37	Projected overspending is due to increased staff overtime and use of contractor support to maintain service levels in light of full time vacancies and increased workload.
Contractual Services	(0.25)	0.25	
Litigation Expenses	(14.59)	-	Projected overspending is based on year-to-date and prior-year expenditure trends.
Outside Counsel	(14.38)	-	Projected overspending is based on prior-year expenditures.
General Fund Total	\$ (30.55)	\$ 0.62	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (1.80)	\$ -	Projected overspending is due to salary costs for grant which which have not yet been reimbursed.
Special Funds Total	\$ (1.80)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 47.75	\$ 48.35	\$ 0.60	Projected revenue surplus due to unbudgeted prior-year reimbursements.

This Office recommends transfers from the Salaries General Account to the Overtime General and Contractual Services accounts to address projected overspending. This transfer will not cause short-term cash flow issues in the Salaries General Account. This Office will continue to work with the City Attorney to monitor its expenditures and report in a future FSR with the recommendations necessary to address the remaining overspending.

Outside Counsel

The City Attorney states that its Outside Counsel Account overspending is primarily due to costs to support continuing litigation for police, employment, and high exposure personal injury cases. The City Attorney did not provide a year-end projection for Outside Counsel expenditures. Based on last year's expenditures, this Office projects year-end overspending of \$14.38 million. This fiscal year, the City has approved \$0.75 million in transfers from the Unappropriated Balance, Reserve for Extraordinary Liability Account (C.F. 24-0921 and C.F. 0971). This Office will continue to work with the City Attorney to monitor its Outside Counsel expenditures and report in a future FSR with recommendations necessary to address the projected overspending.

This Office recommends the following transactions at this time:

- Transfer \$374,000 from the Salaries General Account to the Overtime General Account to address projected overspending.
- Transfer \$250,000 from the Salaries General Account to Contractual Services Account to address projected overspending.

**G. City Clerk
Attachment 6 – Appropriations from the Unappropriated Balance**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.57	\$ -	Projected surplus is due to staff vacancies. The Department's vacancy rate is 11 percent through August 2024.
<i>Overspending (Shown as Negative, in millions)</i>			
Elections	(0.86)	0.86	Projected overspending is due to higher than anticipated costs for the March 5 Primary Election based on the invoice received from Los Angeles County.
General Fund Total	\$ 0.71	\$ 0.86	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 1.05	\$ 1.05	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office recommends a transfer of \$0.86 million from the Election Expense – General Municipal Election Account within the Unappropriated Balance to address the Elections Account overspending related to the March 2024 primary election. This transfer would reduce the amount available in the Unappropriated Balance for the November 2024 general election to \$8.14 million. We will continue to work with the Department to monitor this account and provide an update in a future FSR once the invoice from the County is received.

Passport Application Fee Receipts

Although we currently project that the Department will meet its General Fund revenue budget by year end, this projection assumes the full receipt of \$0.23 million in Passport Application Fee receipts, which make up approximately 22 percent of the Department's General Fund revenue budget. These receipts are currently trending approximately \$0.1 million below the \$0.23 million budget amount, however, the Department is currently focusing on increasing public awareness of its Passport services through a social media campaign as well as providing outreach and education materials at Naturalization Ceremonies held in Downtown, which we anticipate will increase fee

receipts as more residents become aware of this service. This Office will work with the Department to monitor this revenue source and report in future FSRs with a data-driven revenue projection.

This Office recommends the following transaction at this time:

- Transfer \$856,993 from the Unappropriated Balance, Election Expense- General Municipal Election Account to the City Clerk’s Elections Account to pay the County invoice for the March 2024 Presidential Primary Election.

**H. City Planning
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.33	\$ -	Projected surplus is due to staff vacancies. The current vacancy rate is approximately 17 percent.
General Fund Total	\$ 0.33	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 4.95	\$ -	Projected surplus is due to staff vacancies. The current vacancy rate is approximately 17 percent.
Special Funds Total	\$ 4.95	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 13.97	\$ 9.86	\$ (4.11)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies and special fund revenue shortfalls impacting the ability of several funds to make reimbursements.

This Office does not recommend any transactions at this time.

**I. City Tourism Department
No Recommendation**

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.19	\$ -	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.01	-	Projected surpluses in various expense accounts are based on year-to-date and prior-year expenditure trends, and projected operational needs through year end.
Special Funds Total	\$ 0.20	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 1.00	\$ 1.00	\$ -	This Office projects that the Department will meet its General Fund revenue budget by year end.

This Office does not recommend any transactions at this time.

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

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.018	\$ -	Projected surplus is staff vacancies and savings from positions filled with in-lieu classifications at a lower level.
Salaries As-Needed	0.015	-	Projected surplus is based on anticipated operational needs through year end for Discrimination Enforcement hearing officers.
Printing and Binding	0.015	-	Projected surplus is based on year-to-date expenditure trends and projected operational needs through year end.
Operating Supplies	0.009	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries Overtime	(0.001)	-	Projected overspending is due to staff overtime to meet workload.
Office and Administrative	(0.029)	-	Projected overspending is based on anticipated operational needs through year-end for telecommunication costs and one-time expenses for the new office space in the Kajima Building in Little Tokyo.
General Fund Total	\$ 0.027	\$ -	

This Office anticipates that the projected Overtime General and Office and Administrative overspending will be addressed using the projected surpluses from other accounts.

L.A. REPAIR Program

The LA REPAIR Innovation Fund currently has a balance of \$8.5 million. The Department is in the process of executing five grant agreements totaling approximately \$3.1 million for Cohort 1. Concurrently, the Department is working to finalize 14 grant agreements, totaling approximately \$5.4 million for Cohort 2. The Department expects that disbursements for Cohort 1 and Cohort 2 grant agreements will commence by the end of calendar year 2024. Currently, the Department has no in-house accounting support and relies solely on the Office of the City Clerk for technical accounting transactions. The Department anticipates multiple invoices from 19 community-based organizations. The lack of an in-house accountant, however, may impact the ability of the Department to efficiently manage and disburse funds for the Participatory Budgeting Pilot Program. The Office of the City Clerk has advised that it recently filled an Accountant position to support small City Departments.

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

K. Community Investment for Families
Recommendation Nos. 14, 15, 16, 17, 18, and 19
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.117	\$ -	Projected surplus is due to staff vacancies.
<i>Overspending (Shown as Negative, in millions)</i>			
Contractual Services	(0.941)	0.941	Projected overspending is due to delays in the implementation of language access services and the case management replacement system and higher-than-anticipated contract expenditures for the FamilySource System and the Domestic Violence and Human Trafficking Shelter Operations.
Office and Administrative	(0.025)	0.025	Projected overspending is due to expenditures for the Consolidated Plan System that were budgeted in the Contractual Services Account.
General Fund Total	\$ (0.849)	\$ 0.966	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
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.
Overspending (Shown as Negative, in millions)			
Salaries General	(0.011)	(0.009)	Projected overspending is due to unbudgeted costs associated with the civilian labor agreements approved last year.
Salaries As-Needed	(0.120)	0.106	Projected overspending is due to unbudgeted expenditures and projected operational needs for the Community Services Block Grant, Community Development Block Grant, and the Office of Traffic Safety grant programs.
Overtime General	(0.033)	0.005	
Office and Administrative	(0.321)	0.117	
Contractual Services	(0.163)	0.008	Projected overspending in several expense accounts is due to unbudgeted expenditures for the Community Services Block Grant, Community Development Block Grant, the Office of Traffic Safety grants, OpportunityLA grant, Family Homelessness Challenge Grant, and the Local Immigrant Inclusion and Integration Grant.
Other Overspending Accounts	(0.066)	0.028	
Special Funds Total	\$ (0.713)	\$ 0.254	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 4.959	\$ 4.738	\$ (0.221)	Projected revenue shortfall is due to reduced related costs reimbursements associated with vacancies funded by the Community Development Trust Fund.

This Office recommends realigning the budget with available grant funds to partially address special fund overspending in the Salaries As-Needed, Overtime General, Printing and Binding, Travel, Transportation, Office and Administrative accounts. This increases special fund overspending in the Salaries General Account in the short term, but will not cause cash flow issues due to the projected surplus in the Salaries General Account within the impacted special fund (Community Development Trust Fund). This Office also recommends reappropriating funds for the case management system, FamilySource System, and Domestic Violence and Human Trafficking

Shelter Operations to address General Fund overspending in the Contractual Services Account. Pending transmittals for the Family Homelessness Challenge (C.F. 22-1097), Local Immigrant Inclusion and Integration (C.F. 21-1015-S7), and Office of Traffic Safety grants will further address approximately \$0.4 million in special fund overspending in the Salaries General and various other expense accounts. This Office will continue to work with the Department to monitor expenditures and report in future FSRs with recommendations necessary to address the remaining overspending.

This Office recommends the following transactions at this time:

- Disencumber, revert, and reappropriate up to \$150,000 from Fiscal Year 2023-24 in the Department's Contractual Services Account to the current fiscal year to complete the development of the Department's case management system replacement.
- Disencumber, revert, and reappropriate up to \$389,411 from Fiscal Year 2023-24 in the Department's Contractual Services Account to the current fiscal year to support the FamilySource System and Domestic Violence and Human Trafficking Shelter Operations.
- Disencumber, revert, and reappropriate up to \$100,000 from Fiscal Year 2023-24 in the Department's Contractual Services Account to the current fiscal year to
- Revert and reappropriate up to \$151,999.89 from Fiscal Year 2023-24 in the Department's Contractual Services Account to the current fiscal year to continue the Crisis to Shelter Program in 2024-25.
- Revert and reappropriate up to \$509,920.05 from Fiscal Year 2023-24 in the Department's Contractual Services Account to the current fiscal year to pay up to \$79,380 in June 2024 expenditures for temporary hotel placements and up to \$430,540.05 to continue paying for temporary hotel placements and the Neighborhood Recovery Center associated with the fireworks explosion on East 27th Street in 2024-25.
- Increase appropriations totaling \$243,205.64 within the Community Services Block Grant Trust Fund to align 2024-25 budgetary appropriations in various accounts with available grant funds.
- Transfer \$25,000 from the Department's Contractual Services Account to the Office and Administrative Account to pay for ServiceNow software costs for the Consolidated Plan Application System replacement.
- Transfer \$72,431 from the Salaries, General (\$42,775.95), Operating Supplies (\$931) and related costs (\$28,724.05) accounts to the Salaries As-Needed (\$70,000), Overtime General (\$1,500), and Office and Administrative (\$931) accounts within the Community Development Trust Fund to realign budget appropriations with anticipated expenditures.

**L. Controller
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (1.12)	-	Projected overspending is primarily due to the inability of the Department to meet its salary savings rate in light of a low staff vacancies and costs associated with the recent civilian labor agreements including sick time payouts and retroactive pay.
General Fund Total	\$ (1.12)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 5.91	\$ 5.85	\$ (0.06)	Projected revenue shortfall is due to a reduction in related costs reimbursements associated with a reduction in billable services.

The Salaries General overspending projection assumes that nine positions added to the Department’s Adopted Budget without funding will not be filled this year. If these positions are filled, the projected overspending will increase. This Office will continue to work with the Department to monitor its Salaries General spending and report in future FSRs with recommendations to address this overspending. This Office does not recommend any transactions at this time.

M. Council

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

The Council requests the following transactions at this time:

- Transfer \$3,155,000 from the Council’s Salaries, General Account to the Salaries As-Needed (\$2,000,000), Printing and Binding (\$150,000), Travel (\$30,000), and Office and Administrative (\$975,000) accounts to align the Council’s operating budget with current expenditure patterns.

- Transfer \$1,000,000 from the General City Purposes Fund Council District 5 Additional Homeless Services (\$600,000) and Council Community Projects (\$400,000) accounts to the Council's Salaries As-Needed Account to support staffing costs for Council District 5.
- Transfer \$350,000 from the State AB 1290 City Fund, Council District 14 Redevelopment Fund to the Council's As-Needed Account to support staffing costs for Council District 14.

N. Cultural Affairs
Attachment 3 – New Appropriations

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Contractual Services	\$ 0.11	\$ -	Projected surpluses are based on prior-year expenditure trends and operational needs through year end.
Special Appropriations I	0.61	-	
Special Appropriations II	0.10	-	
Special Appropriations III	1.33	0.82	
Other Surplus Accounts	0.13	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.20)	-	Projected overspending is due to unbudgeted costs associated with the civilian labor agreements approved last fiscal year.
Salaries As-Needed	(1.18)	-	Projected overspending is due to the increased use of as-needed staff for programming at arts centers and theaters in light of full time vacancies.
Special Funds Total	\$ 0.90	\$ 0.82	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 10.60	\$ 10.60	\$ -	This Office projects that the Department will meet its General Fund revenue budget by year end.

This Office anticipates using the projected surpluses in various expense accounts or appropriations from the Arts and Cultural Facilities and Services Trust Fund to address projected Salaries General and Salaries As-Needed overspending. This Office will continue to work with the Department and report in a future FSR with the recommendations necessary to address projected overspending.

This Office recommends the following transaction at this time:

- Appropriate \$842,450 from the available cash balance of the Arts and Cultural Facilities and Services Trust Fund to the Special Appropriations III Account for the Youth and Creative Mural Program.

**O. Disability
Recommendation Nos. 20, 21, 22, and 23**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.28	\$ -	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.03	-	Projected surpluses in several accounts are based on year-to-date and prior-year expenditure trends.
Overspending (Shown as Negative, in millions)			
Contractual Services	(0.11)	0.34	Projected overspending is primarily due to an anticipated increased demand for Certified Access Specialist Professional (CASp) assessments.
Other Overspending Accounts	(0.03)	-	Projected overspending in several accounts are based on year-to-date and prior-year expenditure trends.
General Fund Total	\$ 0.18	\$ 0.34	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 0.03	\$ 0.03	\$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office recommends the following transactions at this time:

- Authorize the Controller to disencumber up to \$340,255.11 in prior year Contractual Services Account funding from the following fiscal years and in the following amounts, to support current year CASp-eligible activities: up to \$68,702.01 from 2019-20, up to \$65,307 from 2020-21, up to \$59,803.62 from 2022-23, and up to \$146,442.48 from 2023-24. Further, request the Controller to revert the unencumbered funds to the Fund 60B, Certified Specialist Certification and Training Fund, and reappropriate therefrom to Department of Disability’s Contractual Services Account for the Certified Access Specialist – Lead and On-Call Pool. These prior-year CASp funds are available to be disencumbered because they were not fully used within their contract year.

P. Economic and Workforce Development

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 0.84	\$ (0.08)	Projected surplus is due to staff vacancies.
Overspending (Shown as Negative, in millions)			
Overtime General	(0.08)	0.08	Projected overspending is due to increased staff overtime in light of full-time vacancies.
General Fund Total	\$ 0.77	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 3.08	\$ 0.21	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.33	0.04	Projected surpluses are based on prior-year expenditure trends and projected operational needs through year end.
Overspending (Shown as Negative, in millions)			
Overtime General	(0.07)	0.08	Projected overspending is due to increased staff overtime in light of full-time vacancies.
Leasing	(0.02)	0.02	Projected overspending is due to a delayed reappropriation of special funds which will be resolved through this FSR.
Special Funds Total	\$ 3.33	\$ 0.35	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 6.11	\$ 6.11	\$ -	This Office projects that the Department will meet its General Fund revenue budget by year end.

This Office recommends the reappropriation of unspent special funds and transfers from the Department’s projected Salaries General surplus to address projected overspending in the Overtime General and Leasing accounts.

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 an original grant performance period of January 2022 through July 2024, subsequently extended through September 30, 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 August 2024, the State has issued reimbursements of approximately \$9 million. The Department reports there is an additional \$24 million in reimbursements pending State review.

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 2024 are eligible to support funding needs for the program in 2024-25 until the program close. The judge in the case issued a tentative ruling requiring an audit and review of the program prior to issuing a final ruling in the matter. As such, the Department anticipates additional expenditures may continue into the 2024-25 program year. The Department reports actual expenditures of approximately \$1.3 million from July 2023 through June 2024, and an additional \$401,000 in invoices currently under review. Given the necessary extension of certain program expenses due to the ongoing court audit, the 2023-24 Fourth (Year-End) Financial Status Report (C.F. 23-0600-S120) reappropriated \$2.5 million to the Unappropriated Balance for this purpose 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 year.

This Office recommends the following transactions at this time:

- Transfer \$75,000 from the Department's Salaries General Account to the Department's Overtime General account to address anticipated overspending.
- Transfer appropriations in the amount of \$993,437 within the American Rescue Plan Act Business Assistance Programs to implement programs per Council File No. 21-0691.
- Reappropriate \$4,951,721.98 in Californians 4 All Youth Grant funding to support staffing and contractual services costs for the CleanLA Program, administered by the Board of Public Works.
- Transfer \$39,928 from the Department's Salaries General Account to the Personnel Department's Salaries General Account for support of the Economic Development Program as follows: \$26,862 (General Fund) and \$13,066 (Community Development Trust Fund). Upon review and verification of expenditures, the funds will be transferred to the Personnel Department as reimbursement.
- Reappropriate \$488,987.63 in American Rescue Plan Act Business Assistance Programs funding to various departmental accounts for the LA Optimized Program, Legacy Business Program, and other related programs.

Q. El Pueblo
Attachment 3 – New Appropriations

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.10	\$ -	Projected surplus is due to a staff vacancy and one position filled in-lieu at a lower level classification.
Other Surplus Accounts	0.03	-	Projected surpluses are based on year-to-date and prior-year expenditures trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.02)	-	Projected overspending is based on year-to-date and prior-year expenditures trends.
Water and Electricity	(0.03)	-	
Other Overspending Accounts	(0.01)	0.02	
Special Funds Total	\$ 0.07	\$ 0.02	

Special Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 5.30	\$ 4.96	\$ (0.34)	Projected revenue shortfall is based on below plan Facilities Use Fees, Parking Fees, and Lease/Rental collections. We anticipate that the recent fire incident may further negatively impact Parking Fee collections.

This Office recommends the appropriation of \$18,000 from the cash balance of the El Pueblo de Los Angeles Fund to the Contractual Services Account to partially offset projected spending. This Office anticipates that the remaining projected overspending in several expense accounts will be resolved by transfers from the projected surpluses in the Department’s accounts with a projected surplus. We will continue to work with the Department to monitor its expenditures and report in a future FSR with recommendations necessary to address projected overspending.

This Office recommends the following transaction at this time:

- Appropriate \$18,000 from the cash balance of the El Pueblo de Los Angeles Fund to the Contractual Services Account to address overspending related to key card security costs. Due to inflationary cost impacts.

R. Emergency Management
No Recommendation

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.034	\$ -	Projected surplus is due to staff vacancies.
Overtime General	0.024	-	Projected surplus is based on prior-year expenditure trends excluding outlier years with pandemic impacts.
Salaries As-Needed	0.020	-	Projected surplus is based on year-to-date expenditure trends and projected operational needs through year end.
Office and Administrative	0.008	-	Projected surplus is based on prior-year expenditure trends excluding outlier years with pandemic impacts or one-time software purchases.
General Fund Total	\$ 0.086	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (0.001)	\$ -	Projected overspending is due to unbudgeted one-time retroactive payments associated with the labor agreements approved in 2023-24.
Special Funds Total	\$ (0.001)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 0.12	\$ 0.12	\$ -	The Department anticipates meeting its General Fund revenue budget by year end.

This Office anticipates that the projected special fund Salaries General overspending will be addressed by using the projected General Fund Salaries General Account surplus. This Office does not recommend any transactions at this time.

**S. Employee Relations Board
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.002	\$ -	Projected surplus is based on full employment and salary costs associated with approved labor agreements.
Other Surplus Accounts	0.003	-	Projected surpluses in various accounts are based on the Department's stated operational needs through year end.
General Fund Total	\$ 0.003	\$ -	

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

T. Ethics
No Recommendation

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries, As-Needed	\$ 0.02	\$ -	Projected surplus is based on prior-year expenditure trends and projected operational needs through year end.
Contractual Services	0.25	-	Projected surplus assumes that special prosecutor services will not be needed this year.
Special Funds Total	\$ 0.27	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 1.24	\$ 1.24	\$ -	This Office projects that the Department will meet its General Fund revenue budget by year end.

This Office does not recommend any transactions at this time.

U. Finance

Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (0.03)	\$ (0.10)	Projected overspending is due to unbudgeted costs associated with the civilian labor agreements approved last fiscal year.
Overtime General	(0.32)	-	Projected overspending is based on year-to-date expenditure trends and projected increased overtime usage during peak tax renewal season in the second half of the fiscal year.
Printing and Binding	(0.04)	-	Projected overspending is based on prior-year expenditure trends and projected operational needs through year end.
Transportation	(0.16)	0.10	
Travel	(0.05)	-	
Contractual Services	(0.40)	-	Projected overspending is due to increased costs for imaging and mailing services, and LATAX cloud maintenance services.
Office and Administrative	(0.41)	-	Projected overspending due to increased costs for LATAX cloud data storage and software license renewals.
General Fund Total	\$ (1.41)	\$ -	

General Fund Revenue			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 13.33	\$ 13.56	\$ 0.23	Projected revenue surplus is due to a projected increase in special services for proprietary departments and prior-year related cost reimbursements.

This Office recommends a transfer from the Salaries General Account to the Transportation Account to partially address projected overspending. The transfer will not result in short-term cash flow issues for the Salaries General Account. This Office will continue to work with the Department to monitor its expenditures and report in future FSRs with recommendations necessary to resolve the remaining overspending.

This Office recommends the following transaction at this time:

- Transfer \$100,000 from the Salaries General Account to the Transportation Account for mileage reimbursement costs.

V. Fire

Recommendation No. 24

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

Attachment 6 – Appropriations from the Unappropriated Balance

(Fire Department narrative starts on the next page)

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Unused Sick Time	\$ 1.05	\$ -	Projected surplus is due to a decreased number of DROP exits compared to prior-year trends.
Overtime Constant Staffing	4.60	-	Projected surplus based on year-to-date expenditure trends.
Overtime Variable Staffing	0.70	-	Projected surplus is due to to additional appropriation received from grants.
Other Surplus Accounts	0.29	-	Projected surpluses in these accounts are based on prior year and year-to-date expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (1.98)	(1.03)	Projected overspending is primarily due to unbudgeted payment obligations related to a legal settlement and costs associated with the civilian labor agreements approved last fiscal year.
Salaries Sworn	(6.33)	(5.12)	Projected overspending is due to a budget adjustment and transfer of funds to the Constant Staffing Overtime Account in the Adopted Budget.
Salaries As-Needed	(0.57)	0.10	Projected overspending is due to the increased use of as-needed staff in light of full time vacancies.
Overtime General	(1.78)	1.00	Projected overspending is due to higher than anticipated staff overtime for public safety inspections, fleet maintenance and Workday issue resolutions.
Overtime Sworn	(6.09)	-	Projected overspending is due to higher than anticipated resources deployed to wildfires and tropical storm event Helene.
Contractual Services	(12.51)	7.31	Projected overspending is due to unbudgeted contract obligations.
Field Equipment Expense	(5.71)	4.00	Projected overspending is due to increased costs of fleet parts and anticipated fireboat expenses.
Operating Supplies	(2.73)	(0.27)	Projected overspending is due to increasing demands on on-going operational supplies.
Other Overspending Accounts	(1.34)	0.25	Projected overspending is primarily due to unbudgeted costs associated with approved civilian labor agreements.
General Fund Total	\$ (32.40)	\$ 6.24	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 311.80	\$ 322.85	\$ 11.05	Projected revenue surplus is due to the receipt of one-time prior-year QAF funds.

This Office recommends transfers from the Salaries General and Salaries Sworn accounts to partially address overspending in the Salaries As-Needed, Overtime General, Contractual Services, Office and Administrative, and Field Equipment Expense Accounts. Additionally, we recommend a transfer from the Harbor Department related to boat maintenance costs which will further offset projected Field Equipment Expense overspending. This Office will continue to work with the Department to monitor its expenditures and report in a future FSR with recommendation necessary to address projected 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 add-on increase to emergency medical transports provided by eligible non-contracted public GEMT providers. The PP-GEMT Program requires the City to make payments to the DHCS to participate. The total cost to participate during the 2024 calendar year is \$26.53 million, of which the Department has paid \$24.12 million. The \$6.2 million transfer requested with this FSR is for the final invoice for calendar year 2024, with the estimated \$2.41 million administrative fee to be paid when the Department is billed by DCHS. The Department estimates the amount for the 2025 calendar year to be \$29.51 million, but can only confirm actual amounts once quarterly invoices are received. The payments required for calendar year 2025 will be needed by January 15th and April 15th in Fiscal Year 2024-25. This Office will work with the Department to monitor the projected PP-GEMT IGT payments needed, and will recommend any necessary transfers in future FSRs.

Los Angeles County Medi-Cal Intergovernmental Transfer Program

The Department participates in the Los Angeles County Medi-Cal Intergovernmental Transfer Program (Medi-Cal IGT), which Los Angeles County created in January 2023 after DHCS implemented the PP-GEMT IGT Program. The Medi-Cal IGT program allows a public entity providing health care services to Medi-Cal managed care beneficiaries to transfer funds to DHCS in order to support the Medi-Cal program. DHCS uses these funds to obtain increased matching funds from the federal Center for Medicare and Medicaid Services to support Medi-Cal health care services provided by participating agencies. For fiscal year 2021-22, the City received \$4.5 million in net revenue. On July 19, 2024, DHCS notified the Department of the November 22, 2024 deadline to transfer approximately \$5.2M to participate in the calendar year 2022-23 Medi-Cal IGT program, which is expected to generate net revenue of \$2.9 million. Motion (Rodriguez-Lee) (C.F. 24-1218) is pending consideration by the Budget, Finance and Innovation Committee and if

approved would transfer \$5.7 million from the Department's Salaries Sworn Account to its Contractual Services Account to pay the amount invoiced by DHCS.

This Office recommends the following transactions at this time:

- Authorize a transfer of \$2,000,000 from the Harbor Department's Harbor Revenue Fund, Fund 702/42 to the receipts in Fire Department Fund 100/38, Revenue Source Code 419601 - Service to Harbor-Boat Maintenance. Upon receipt of funds from the Port of Los Angeles, appropriate the additional receipts to the Fire Department, Fund 100/38, Account 003090, Field Equipment Expense, as front funding for fire boat maintenance and repairs for Fireboats 1, 2, 3, 4, and 5. Instruct the Fire Department to provide evidence of expenditures with proper documentation including City purchase orders, vendor invoices, and other proof of payment submit billings on no less than a biannual basis to conduct an annual reconciliation of expenditures for Fiscal Year 2024-25. The Fire Department will return all unspent, unreconciled, and unbilled amounts deposited into Revenue Source Code 419601 – Services to Harbor-Boat Maintenance from this authorized transfer in FY 2024-25 to the appropriate revenue fund within the Harbor Department's Harbor Revenue Fund 702/42, Revenue Source Code 5166. Unspent funds transferred from the Harbor Department to the Fire Department in this authorized transfer will not be returned to or deposited into the City's General Fund.
- Transfer \$1,000,000 from the Salaries General Account to the Overtime General Account 001090 to meet workload needs for public safety inspections and fleet maintenance.
- Transfer \$100,000 from the Salaries General Account to Salaries As-Needed Account 001070 to address increased workload as a result of staffing reductions.
- Transfer \$337,000 from Salaries General Account to meet unfunded obligations in Contractual Services Account to support the following recurring contracts or services: the ESRI Citywide Enterprise cost share obligation (\$154,000), the LA Regional Imagery Acquisition Consortium (\$50,000) and a Helitanker Lease cost increase (\$133,000).
- Transfer up to \$867,566 from the Salaries Sworn Account to the Contractual Services Account 003040, for payment of the Ground Emergency Medical Transport (GEMT) Program Administration fees to the Sacramento Metropolitan Fire District for Fiscal Years 2020-21 (\$314,412.04), 2021-22 (\$304,860.22), and 2022-23 (\$248,293.47).
- Transfer \$4,000,000 from the Salaries Sworn Account to the Field Equipment Expense Account 003090 to maintain continuity and repair of ground emergency apparatus and ensure operational readiness of the LAFD fireboats at the Port of Los Angeles (POLA).
- Transfer \$250,000 from the Salaries Sworn Account to the Office and Administrative Account 006010 to pay for United Fire Fighters of Los Angeles (UFLAC) Wellness Program reimbursements.

- Transfer \$270,000 from the Operating Supplies Account 006020 to the Information Technology Agency (ITA) Fund 100/32, Account 009350 Communication Services for the installation of upgraded data ports and Wi-Fi and signal expanders at the Supply & Maintenance Division to address critical infrastructure needs at this facility.
- Transfer up to \$222,611 from Fund 41L/38 Account 38K201 to the General Services Department (GSD) Fund 100/40, Account 001101 Hiring Hall Construction - \$128,059, Account 001121 Benefits Hiring Hall Construction - \$54,882, Account 003180 Construction Materials - \$39,670 for the reconfiguration and renovation of the Certified Unified Program Agency (CUPA) Section office area on the 17th floor, City Hall East.
- Transfer up to \$6.11 million set aside in the Unappropriated Balance Fund No. 100/58 Ground Emergency Medical Transport QAF Program Account 580304 to the Fire Department Fund No. 100/38, Contractual Services Account No. 003040, for the payment of the *second* quarterly invoice for the PP-GEMT-IGT Program.

**W. General Services
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.31	\$ -	Projected surplus is due to staff vacancies. Departmental vacancy rate is 9.3 percent through September 2024.
Salaries As Needed	0.25	-	Projected surpluses are based on year-to-date expenditure trends and projected operational needs through year end.
Other Surplus Accounts	0.47	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	\$ (0.50)	\$ -	Projected overspending is due to the increased use of staff overtime and hiring hall staff to maintain service levels in light of full-time vacancies.
Salaries Hiring Hall	(0.60)	-	
Hiring Hall Fringe Benefits	(0.86)	-	
Field Equipment Expense	(9.00)	-	Projected overspending is due to higher maintenance costs associated with the City's aging fleet, including SWRRF overspending in this account that we anticipate will become a General Liability due to funding constraints in SWRRF.
Petroleum Products	(9.78)	-	Projected overspending is based on increased commodity prices and prior-year seasonal usage trends.
Util Exp Pvt Companies	(0.44)	-	
Uniforms	(0.04)	-	Projected overspending is due to new positions added without dedicated funding for uniforms.
General Fund Total	\$ (18.91)	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 1.33	\$ -	Projected surplus due to staff vacancies. Departmental vacancy rate is 9.3 percent through September 2024.
Overspending (Shown as Negative, in millions)			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Overtime General	\$ (1.50)	\$ -	Projected overspending is due to the increased use of staff overtime to maintain service levels in light of full-time vacancies.
Uniforms	(0.04)	-	Projected overspending is due to new positions added without dedicated funding for uniforms.
Special Funds Total	\$ (0.21)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 40.38	\$ 41.18	\$ 0.80	Projected revenue surplus is primarily due to unbudgeted prior-year related cost reimbursements.

The projected General Fund Field Equipment Expense overspending includes \$6.75 million in costs that are traditionally paid by the Solid Waste Resources Revenue Fund (SWRRF). Due to funding constraints in the fund, however, we anticipate that these costs will become a General Fund liability unless savings are identified in SWRRF sufficient to address these costs. This Office will continue to work with the Department to monitor its expenditures and report in future FSRs with recommendations necessary to address the projected overspending in the Overtime General, Salaries Hiring Hall, Hiring Hall Fringe Benefits, Field Equipment Expenses, Petroleum Products, Utilities Expenses Private Companies, and Uniforms accounts. This Office does not recommend any transactions at this time.

X. Housing
Recommendation Nos. 25, 26, 27, 28, and 29
Attachment 3 – New Appropriations
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Leasing	\$ 0.14	\$ -	Projected surplus is due to delays in securing main office space.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	\$ (0.23)	-	Projected overspending is due to unfunded grant administrative salary costs and Proposition HHH ineligible salary costs.
General Fund Total	\$ (0.08)	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 9.59	\$ (0.32)	Projected surplus is due to vacancies
Leasing	2.92	-	Projected surplus is due to delays in securing main office space.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.41)	0.26	Projected overspending is due to the increased use of as-needed staff to maintain service levels in light of full-time vacancies.
Printing and Binding	(0.11)	0.11	Projected overspending is based on prior-year expenditure trends and estimated operational needs through year end.
Contractual Services	(0.02)	0.02	Projected overspending is due to the increased cost of the Technical Expertise contract.
Office and Administrative	(0.08)	0.08	Projected overspending is due to ULA-related office and administrative costs.
Special Funds Total	\$ 11.88	\$ 0.15	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 57.80	\$ 56.10	\$ (1.70)	Projected revenue shortfall is due to reduced related costs reimbursements associated with special funded vacancies.

This Office recommends transfers from the projected special fund Salaries General surplus and associated related costs reimbursement accounts to address projected special fund overspending the Salaries As-Needed, Printing and Binding, Contractual Services, and Office and Administrative accounts. This Office will continue to work with the Department to monitor its General Fund Salaries General overspending and report in future FSRs with recommendation necessary to address any overspending.

- Reduce appropriations totaling \$1,129,426 from the HOME-ARP Administrative Reserve Account to align the budget appropriations with the available grant balance.
- Reduce appropriations totaling \$22,065,125.48 from prior year accounts within the Affordable Housing Trust Fund to align appropriations with the available cash balance.
- Reduce appropriations totaling \$25,836,120.79 from prior year accounts within the Municipal Housing Finance Fund to align appropriations with the available cash balance.
- Reduce appropriations totaling \$400,984.75 from prior year accounts within the Low and Moderate Income Housing Fund to align appropriations with the available cash balance.
- Reduce appropriation totaling \$697,824,410.51 from prior and current year accounts within the House LA Fund to align appropriations with the expenditure plans (C.F. 23-0038-S-7; approval pending).
- Appropriate \$1,108,890 from the Proposition HHH Bond Proceeds Fund to the Department's Reimbursement of Prior-Year Salary revenue to reimburse the General Fund for eligible salary expenses related to the Proposition HHH Program.
- Appropriate \$488,466.51 from the Proposition HHH Bond Proceeds Fund to the Department's Reimbursement of Prior Year Related Cost revenue to reimburse the General Fund for eligible related costs related to the Proposition HHH Program.
- Transfer \$258,861 from the Salaries, General Account (\$176,743) and the Reimbursement of General Fund Costs (\$82,118) within various special funds to the Department's Salaries As-Needed Account to pay for part time support staff needed to maintain Department Service levels.

- Transfer \$20,000 from the Salaries, General Account (\$14,246), and the Reimbursement of General Fund Costs (\$5,754) within the Accessible Housing Fund No. 10D to the Contractual Services Account to pay for Technical Expertise contractual services.
- Transfer \$75,000 from the Salaries, General Account (\$53,423) and the Reimbursement of General Fund Costs (\$21,577) within the United to House LA Fund No. 66M to the Office and Administrative Account for the Department to pay for administrative expenses related to ULA operations.
- Transfer \$111,397 from the Department’s Salaries, General (\$72,505) and the Reimbursement of General Fund Costs (\$38,892) accounts within the Systematic Code Enforcement Fee Fund to the Department’s Printing and Binding account to pay for Code and Compliance Division mailing expenses.
- Transfer \$300,000 from Development Services Trust Fund (58V), BuildLA IT Project Account to the Housing Department’s Contractual Services Account for expenses related to the BuildLA project. Pursuant to Section 5.321(l) of the Los Angeles Administrative Code, the Council previously approved the allocation of \$300,000 to the Los Angeles Housing Department from the Development Services Trust Fund for the continuation of consultant services for the BuildLA Project (C.F. 21-0643).

**Y. Information Technology Agency
Attachment 5 – Transfers between Departments and Funds**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 1.12	\$ -	Projected surplus is due to staff vacancies. The Departmental vacancy rate is 12 percent.
Salaries As-Needed	0.12	-	
Contractual Services	0.09	(0.09)	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Operating Supplies	0.59	-	
Communication Services	2.48	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(1.01)	-	Projected overspending is due to increased staff overtime and hiring hall staff to support departmental operations in light of full-time vacancies.
Hiring Hall Salaries	(0.09)	-	
General Fund Total	\$ 3.30	\$ (0.09)	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.10	\$ -	Projected surplus is due to staff vacancies. The Departmental vacancy rate is 12 percent.
Special Funds Total	\$ 0.10	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 5.44	\$ 5.44	\$ -	This Office anticipates the Department will meet its General Fund revenue budget by year end.

This Office anticipates that the projected Overtime General and Hiring Hall Salaries overspending will be addressed through transfers from the projected surpluses in the Department's other accounts. We will continue to work with the Department to monitor its expenditures and report in a future FSR with recommendations necessary to address the projected overspending.

This Office recommends the following transactions at this time:

- Transfer \$90,245 from the Contractual Services Account to Department of Public Works, Bureau of Sanitation for the Oracle annual maintenance for the Customer Relations Management System Project.

Z. Library
Attachment 5 – Transfers between Departments and Funds

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 3.72	\$ -	Projected surplus is due to staff vacancies.
Salaries As-Needed	0.81	-	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Office and Administrative	1.79	0.62	
Various Special	1.94	-	
Other Surplus Accounts	0.25	(0.05)	
Contractual Services	8.60	(4.52)	Projected surplus is based on prior-year expenditures and anticipated construction needs through year end.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(0.60)	-	Projected overspending is due to increased staff overtime in light of full-time vacancies.
Special Funds Total	\$ 7.92	\$ 0.57	

This Office anticipates that the projected Overtime General overspending will be addressed by future transfers from one of the accounts with a projected surplus. The Department has no General Fund revenue budget.

Tech2Go Hotspot Program

On May 3, 2021, the Council approved the allocation of \$39,166,408 in Community Development Block Grant funding provided to the City through the CARES Act (C.F. 20-1374). This amount included an allocation of approximately \$2 million to expand the Library’s Tech2Go Hotspot Loan Program, and the allocation was appropriated to the Library in 2021-22 (C.F. 20-1515). A reappropriation of \$1,228,250 was provided to the Library in 2023-24. The Tech2Go Hotspot Loan Program allows Library patrons to check out a mobile hotspot device for six weeks, which they can use to connect a laptop, tablet, and other Wi-Fi enabled devices to the internet. This Office recommends reappropriating the unspent funds to 2024-25 as the program is still in effect.

This Office recommends the following transactions at this time:

- Reappropriate \$622,350 from the Community Development Trust Fund to the Library’s Office and Administrative Account to support the Tech2Go Hotspot Program in 2024-25.
- Transfer \$4,576,053.08 from the Library’s Contractual Services (\$4,525,413.08) and

Printing and Binding (\$50,640) accounts to the General Services Department's Construction Projects (\$1,830,081) and Construction Materials (\$2,745,971) accounts to pay for alterations, improvements, and repairs at Library facilities.

AA. Mayor
Recommendation No. 30
Attachment 5 – Transfers between Departments and Funds

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

- Disencumber, revert, and reappropriate \$552,298.38 from 2020-21 in the Mayor's Contractual Services Account to the current fiscal year to provide support for the 2024-25 GRYD contracts.
- Establish new appropriation accounts within the 2022-23 California Violence Intervention and Prevention (CalVIP) Cohort IV Grant Fund; transfer \$112,137.94 from the 2022-23 Reimbursement of General Fund Costs Account to the 2023-24 Reimbursement of General Fund Costs (\$47,878.35) and current-year Reimbursement of General Fund Costs (\$64,259.59) accounts; and subsequently transfer \$47,878.35 to the Reimbursement of Related Cost – Prior Year, Revenue Source Code 5331 and \$64,259.59 to the Reimbursement of General Fund Costs, Revenue Source Code 5346 to reimburse for prior-year and current-year related costs.
- Establish new appropriation accounts within the Fiscal Year 2020 Proposition 47 Fund; transfer \$80,124.48 from the 2022-23 Reimbursement of General Fund Costs Account to the 2023-24 Reimbursement of General Fund Costs (\$56,320.65) and the current-year Reimbursement of General Fund Costs (\$23,803.83) accounts; and subsequently transfer \$56,320.65 to the Reimbursement of Related Cost – Prior Year, Revenue Source Code 5331 and \$23,803.83 to the Reimbursement of General Fund Costs, Revenue Source Code 5346 to reimburse for prior-year and current-year related costs.
- Establish a new appropriation account within the Fiscal Year 2022 Byrne Discretionary Fund; transfer \$17,044.03 from the prior-year related costs account to the current-year related costs account, and subsequently transfer to the Reimbursement of General Fund Costs, Revenue Source Code 5346 to reimburse for current-year related costs.

BB. Neighborhood Empowerment
Attachment 4 – Transfers between Accounts within Departments and Funds

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Printing and Binding	\$ 0.076	\$ (0.005)	Projected surpluses are based on projected operational needs through year end.
Office and Administrative	\$ 0.032	(0.031)	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.279)	-	Projected overspending is due to the Department not meeting its nine percent salary savings rate due to lower than anticipated attrition and unbudgeted costs associated with the civilian labor agreements approved last year.
Salaries As-Needed	(0.045)	-	Projected overspending is based on projected operational needs through year end including increased workload during the Neighborhood Council Election cycle and translation services.
Contractual Services	(0.035)	0.036	
Transportation	(0.020)	-	Projected overspending is based on year-to-date expenditure trends and projected operational needs through year end.
Special Funds Total	(0.271)	-	

The Department is in the process of conducting a reconciliation of the Neighborhood Empowerment Fund cash balance to determine if there is a surplus in the starting cash balance of the fund that may be available to mitigate projected overspending in the Department’s operating budget through year end. This Office will continue to work with the Department to identify a feasible solution that minimizes services impacts and present these recommendations in a future FSR.

The Department has no budgeted General Fund revenues.

This Office recommends the following transaction at this time:

- Transfer \$36,000 from the Printing and Binding Account (\$5,000) and Office and Administrative Account (\$31,000) to the Contractual Services Account to fully fund translation services contracts.

**CC. Personnel
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.62	\$ -	Projected surplus is due to staff vacancies and filling positions in-lieu with lower level classifications.
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	(0.10)	-	Projected overspending is due to increased staff overtime to maintain service levels in light of full-time vacancies, evening and weekend attendance at job fairs and recruitment events, and ensuring the 24/7 operation of medical staffing in the City's jails.
Contractual Services	(1.00)	-	Projected overspending is due to an increase in reimbursement rates for Sexual Assault Response Team (SART) examinations that was not funded in the 2024-25 Adopted Budget (C.F. 18-0728-S1).
Office and Administrative	(0.09)	-	Projected overspending is based on year-to-date and prior-year expenditure trends.
General Fund Total	\$ (0.57)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 32.66	\$ 37.27	\$ 4.61	Projected revenue surplus is due to unbudgeted prior-year receipts.

This Office will continue to work with the Department to monitor its expenditures and report in future FSRs with recommendations necessary to address projected overspending. This Office does not recommend any transactions at this time.

DD. Police

Attachment 4 – Transfers between Accounts within Departments and Funds

Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.22	\$ -	Projected surplus is due to staff vacancies.
Accumulated Overtime	1.01	-	Projected surpluses are based on prior-year and year-to-date expenditure trends.
Other Surplus Accounts	4.26	(0.21)	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries Sworn	(2.77)	-	Projected overspending is primarily due to costs associated with the agreement with the Los Angeles Police Protective League (LAPPL) and projected hiring.
Overtime Sworn	(14.19)	1.03	Projected overspending is based on prior-year expenditure trends and anticipated operational needs through year end.
Other Overspending Accounts	(0.95)	(0.13)	
General Fund Total	\$ (12.41)	\$ 0.69	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.02	\$ -	Projected surpluses are due to staff vacancies.
Salaries Sworn	1.41	-	
Overtime Sworn	0.64	-	Projected surplus is based on lower than anticipated for special funded sworn overtime.
<i>Overspending (Shown as Negative, in millions)</i>			
Contractual Services	(0.83)	-	Projected overspending is based on prior-year expenditure trends, increased contract security demand, and costs associated with the Living Wage Ordinance.
Special Funds Total	\$ 1.21	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 168.93	\$ 164.28	\$ (4.65)	Projected revenue shortfall is primarily due to delayed MTA receipts due Workday reporting issues and the delayed approval of the MTA contract amendment.

This Office recommends a transfer from Recreation and Parks to reimburse the Department for costs associated with the Summer Night Lights program and partially offset projected overspending. We anticipate that the remaining projected overspending in the Overtime Sworn, Printing and Binding, Contractual Services, and Furniture, Office and Technical Equipment accounts will be resolved by transfers from the projected surplus accounts. This Office will continue to work with the Department and report in future FSRs with updated projections and transactions necessary to address projected overspending.

Sworn Hiring

From June 29, 2024, through September 07, 2024, the Department hired three recruit classes for a total of 92 additional officers. The Department plans to hire 574 new recruits and 30 officers through the BOUNCE/Recall Program. Our expenditure projections assume the Department will hire 494 new recruits and 30 officers through the BOUNCE/Recall Program by year-end, based on year-to-date hiring trends. Officer attrition through September 07, 2024, was 114 versus the 108 assumed in the Adopted Budget. Hiring through September 7, 2024, is 26.98 percent lower than assumed in the Adopted Budget (92 actual hires versus 126 budgeted). As of September 07, 2024, there are 8,788 officers deployed citywide, including 16 Municipal Officers.

This Office recommends the following transactions at this time:

- Transfer \$1.03 million from the Department of Recreation and Parks to the Los Angeles Police Department Sworn Overtime Account to reimburse the Department for 10,226 hours worked in support of Summer Night Lights.
- Transfer \$115,000 from the Firearms and Ammunition Account to the Furniture, Office, and Technical Equipment Account to replace dust collection unit fans at Davis training facility. This transfer is necessary because, although the items are funded, accounting guidelines require payment to be made from Account 007300 due to the unit cost exceeding \$5,000.
- Transfer \$58,000 from the Contractual Services Account to the Furniture, Office, and Technical Equipment Account for the turbine pump replacement at Davis training facility.

- Transfer \$348,000 from the Contractual Services Account to the Information Technology Agency to fund a Workday technical expert to continue to assist the Department with the transition to Workday and assist with troubleshooting.
- Transfer \$99,000 from the Office and Administrative Account to the Furniture, Office, and Technical Equipment Account for Forensic Science Division’s (FSD) Toxicology Equipment to replace the current, older fleet of Electrochemical Sensor and Infrared Sensor (EC/IR) instruments for FSD's Toxicology Unit. This transfer is necessary because, although the items are funded, accounting guidelines require payment to be made from the Furniture, Office, and Technical Equipment Account due to the unit cost exceeding \$5,000.
- Re-appropriate up to \$3,080,301.49 from the uncommitted balances remaining in various accounts within the Police Department Grant funds as follows:

Grant Program	Amount
2023 Cannabis Tax Fund - Toxicology	\$8,868.27
2022 Coverdell	13,971.60
2021 ICAC OJJDP	105,795.18
2023 ICAC (CALOES)	144,451.00
2022 BWC – Digital Evidence	226,601.45
2022 BWC – Training	149,452.52
2022 Prosecuting Cold Cases	147,717.25
2021 Connect and Protect	191,561.30
2021 CPD De-Escalation Grant	4,217.05
2022 CPD De-Escalation Grant	70,866.29
2023 CPD De-Escalation Grant	32,426.06
2021 Crisis Response Training	90,085.70
2021 Comprehensive Youth Violence Prevention and Reduction Program	21,729.79
2022 Firearm Relinquishment Grant	504,689.79
2021 Hate Crime	250,661.84
2024 OHMVR EDU	100,000.00
2024 OHMVR Law Enforcement	30,750.00
BSCC Organized Retail Theft	266,096.50
2021 Project Safe Neighborhood	24,421.45
2022 Project Safe Neighborhood	102,705.00
2024 Regional Threat Assessment Program	41,349.52
2023 STEP Grant	543,649.22
TOTAL	\$3,072,066.79

**EE. Public Accountability
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.513	\$ -	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.112	-	Projected surpluses in various accounts are based on prior-year expenditure trends and the Department's stated operational needs.
General Fund Total	\$ 0.625	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 6.928	\$ 4.253	\$ (2.676)	Projected revenue shortfall is due to staff vacancies and reduced expense account costs, which are fully reimbursed by the Department of Water and Power.

This Office does not recommend any transactions at this time.

**FF.Public Works/Board
Recommendation No. 31
Attachment 5 – Transfers between Departments and Funds**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Operating Supplies	\$ 0.05	\$ -	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Other Surplus Accounts	0.01	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.03)	-	Projected overspending is due to unbudgeted payroll obligations for two as-needed positions.
General Fund Total	\$ 0.03	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.41)	0.51	Projected overspending is due to pending reimbursements for staff dedicated off-budget programs. Staff for these programs are unfunded and costs are reimbursed throughout the year through interim appropriations.
Salaries As-Needed	(0.03)	0.03	Projected overspending is due to the use of as-needed staff for the Californians4All Youth grant programs. Staff for these programs are unfunded and are typically reimbursed throughout the year through interim appropriations.
Contractual Services	(4.81)	4.81	Projected overspending is due to costs associated with the CleanLA Youth Program, Rentals and Royalties Study, and Supplemental Cleanups.
Operating Supplies	(0.15)	0.15	Projected overspending is due to the purchase of trash can liners for the Business Improvement Districts.
Special Funds Total	\$ (5.40)	\$ 5.50	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 5.68	\$ 5.80	\$ 0.12	Projected revenue surplus is due to prior-year related costs reimbursements.

This Office recommends the reappropriation of 2023-24 funds from the Californians4All Youth Grant, the Mayor’s Fund for Los Angeles, State AB 1290 Fund, and the BID Trust Fund for services to be provided throughout the year, which fully address the projected special fund overspending. This Office will continue to monitor projected overspending in the General Fund Salaries As-needed Account and report in future FSRs with recommendations necessary to address this overspending.

This Office recommends the following transactions at this time:

- Authorize the Controller to disencumber up to \$250,000 in Fiscal Year 2023-24 encumbered balances for Contract No. C-138814, Liberty Hill Foundation (SC 74 CO24138814M) within the Board of Public Works, Fund No 100/74, Account No. 003040 Contractual Services, and process the early reversion of the disencumbered amount to the Reserve Fund. No. 101/62.
- Reappropriate \$67,000 from the Mayor’s Fund to the Salaries General Account for the Workforce Equity Demonstration program (C.F. 23-0600-S116).
- Reappropriate \$329,062 from AB1290 Fund to the Contractual Services Account for supplemental cleanup work in Council District 7 (C.F. 23-0600-S116).
- Reappropriate \$150,000 from the BID Trust Fund to the Operating Supplies Account for the purchase of trash can liners (C.F. 23-0600-S120).
- Appropriate \$267,410 from the Public Works Trust Fund to the Bureau of Streets Services Overtime General (\$187,186), Operating Supplies (\$40,112), and Contractual Services (\$40,112) accounts for costs related to the Tree Guarantee Fee Planting Plan (C.F. 16-0641-S1).

**GG. Public Works/Bureau of Contract Administration
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.05	\$ -	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.15	-	Projected surpluses are based on the prior-year expenditure trends and anticipated operational needs through year end.
General Fund Total	\$ 0.20	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.86	\$ -	Projected surplus is due to staff vacancies.
Overtime General	0.11	-	Projected surpluses are based on the prior-year expenditure trends and anticipated operational needs through year end.
Transportation	0.09	-	
Other Surplus Accounts	0.07	-	
Special Funds Total	\$ 3.13	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 33.19	\$ 32.27	\$ (0.92)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies.

This Office does not recommend any transactions at this time.

**HH. Public Works/Bureau of Engineering
Recommendation No. 32
Attachment 4 – Transfers between Accounts within Departments and Funds**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Other Surplus Accounts	\$ 0.02	\$ -	Projected surpluses are based on year-to-date and prior-year expenditure trends.
General Fund Total	\$ 0.02	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 2.81	\$ (0.30)	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.06	-	Projected surpluses are based on year-to-date and prior-year expenditure trends.
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(0.30)	0.30	Projected overspending is due to additional costs for the 2024 Summer Internship Program.
Special Funds Total	\$ 2.57	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 60.73	\$ 60.73	\$ -	This Office anticipates that the Bureau will meet its General Fund revenue budget by year end.

This Office recommends transferring \$300,000 from the Bureau’s Salaries General Account funded by the Sewer Construction and Maintenance Fund to the Salaries As-Needed Account to address projected overspending related to the 2025 Summer Internship Program.

Engineering Special Services Fund

The 2024-25 Budget (C.F. 24-0600) instructed the City Administrative Officer (CAO), to include in the 2024-25 Financial Status Reports, the transfer of interest from the Engineering Special Services Fund No. 682/50 to the Reserve Fund No. 101/62.

The purpose of the Engineering Special Services Fund is for the Bureau of Engineering to receive and disburse receipts for work it performs for proprietary departments and developers. After performing the services paid by the receipts for the Fund, the Mayor and City Council may approve the use of excess funds for other purposes. At this time, \$6,726,467 is available in interest earnings that are not required to complete projects that the proprietary departments or developers paid for. Therefore, consistent with the 2024-25 Budget and in support of the City's efforts to bolster the Reserve Fund, we recommend the transfer of these funds to the Reserve Fund.

The recommended transfer is based on the following accumulated interest income:

Fiscal Year	Interest Income
2022-23	\$2,514,542
2023-24	\$3,461,501
2024-25 (Q1)	\$750,424
Total	\$6,726,467

This Office will continue to monitor the interest earnings and provide recommendations to meet the transfer of a total of \$9,202,248 in interest earnings to the Reserve Fund this fiscal year as assumed in the 2024-25 Budget.

This Office recommends the following transactions at this time:

- Transfer \$6,726,467 in interest earnings from the Engineering Special Services Fund No. 682/50 to the Reserve Fund No. 101/62 to comply with the instructions included in 2024-25 Budget (C.F. 24-0600).
- Transfer \$300,000 from the Bureau's Salaries General Account funded by the Sewer Construction and Maintenance Fund to the Salaries As-Needed Account to fund the Summer Internship Program for the remainder of the year.

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

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 3.97	\$ (0.29)	Projected surplus is due to staff vacancies.
Operating Supplies	0.48	-	Projected surplus is based on year-to-date and prior-year expenditure trends.
Water and Electricity	0.08	-	Projected surplus is due to timing of invoices from the Department of Water and Power.
<i>Overspending (Shown as Negative, in millions)</i>			
Contractual Services	(4.79)	-	Projected overspending is due to a projected increase in CARE/CARE+ service days, which results in higher hazardous waste cleaning contract costs.
Overtime General	(1.27)	-	Projected overspending is due to increased staff overtime to provide services in light of full-time vacancies.
Other Overspending Accounts	(0.43)	-	Projected overspending is due to projected increased hiring and service days.
General Fund Total	\$ (1.96)	\$ (0.29)	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 6.55	\$ (0.51)	Projected surplus is due to staff vacancies.
Contractual Services	2.04	-	Projected surplus due to timing of contract execution and receipt of invoices.
Other Surplus Accounts	1.11	-	Projected surplus due to staff vacancies and hiring delays.
Overspending (Shown as Negative, in millions)			
Overtime General	(6.45)	-	Projected overspending due to increased staff overtime to provide services in light of full-time vacancies.
Hiring Hall Salaries	(0.50)	-	Projected overspending is based on year-to-date and prior-year expenditure trends, and projected operational needs through year end.
Other Overspending Accounts	(0.90)	0.18	
Special Funds Total	\$ 1.86	\$ (0.33)	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 88.26	\$ 88.26	\$ -	This Office projects the Bureau will meet its General Fund revenue budget by year end.

This Office recommends transfers from a projected Salaries General Account surplus to partially address overspending in the Hiring Hall Salaries and Benefits Hiring Hall accounts. We will continue to work with the Bureau to monitor its salary and expense accounts and will report in future FSRs with recommendations necessary to address the remaining overspending.

We have identified the following issues of concern and will continue to monitor related funds and accounts and provide updates and potential impacts, including recommended transfers, in future FSRs:

Hyperion Spill

Expenditures from the Overtime General, Salaries As-Needed, and Hiring Hall accounts related to the wastewater spill in 2021 continue as the Bureau has moved from emergency repairs to recovery efforts. As of January 2024, the Bureau has received payments totaling \$44 million from the property insurance policy for damage to the Hyperion Water Reclamation Plant (Hyperion). An additional \$9 million has been received for a subsequent incident in February 2024. 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 (SCM) Fund for eligible expenditures. The full impact of the spill is yet to be determined.

Rate Increases

Several of the Bureau's funds are not operating at full-cost recovery. The Solid Waste Resources Revenue Fund (SWRRF) has not had a rate adjustment since 2008 and is subsidized by the General Fund in the amount of \$111.7 million in 2024-25, including related costs. The Multi-Family Bulky Item Fund has not had a rate increase since it was established in 2007 and was subsidized by the General Fund in the amount of \$3.4 million in 2024-25 for related costs. As part of the 2023-24 Adopted Budget, the Council and Mayor instructed the Bureau to conduct rate studies and to report back on findings. The Bureau is currently preparing rate studies for these funds to formulate recommended rate adjustments that it plans to present to the Mayor and Council later this fiscal year for consideration in 2025-26.

The Council adopted Ordinance No. 188363 (C.F. 23-0600-S9) related to increasing the Sewer Service Charge, which takes effect October 19, 2024 and will increase revenue to SCM in accordance with the Adopted Budget, which did not include corresponding appropriation increases. The Bureau anticipates additional cash availability in SCM by January 2025 and plans to increase hiring and more aggressively pursue updates to Hyperion and other water conveyance and reclamation facilities to meet mandates, sustainability, and Citywide goals. Should this plan be approved, including through the Prioritized Critical Hiring review process, the Bureau anticipates upcoming overspending in SCM Salaries General and other accounts, which will require appropriations from cash receipts in SCM.

Solid Waste Resources Revenue Fund

Receipts from the Solid Resources Fee (SRF), the largest source of revenue to the SWRRF, totaled \$276.24 million in 2023-24, which was \$14.29 million or 4.9 percent lower than the 2023-24 Budget amount. The Los Angeles Department of Water and Power bills and collects the SRF, along with sewer service, water, and electricity fees. The cause of the continued decrease in collections is yet to be determined. Should the revenue shortfall continue in 2024-25, additional General Fund appropriations or service reductions may be required if the Bureau is unable to reduce spending to align with SWRRF revenues.

CARE/CARE+ Services

We project \$4.8 million in overspending in the Contractual Services Account within the General Fund due to an anticipated increase in service days and use of hazardous waste cleaning contracts once the new Young's Market central location for the Livability Services Division is fully established for occupancy in January 2025. Should the Bureau be unable to manage within its resources, additional General Fund appropriations or service reductions may be required.

Vacancies and Related Costs

The Bureau continues to pay the related cost amounts included in its budget. Due to the high vacancy rate, the Bureau may pay related costs in excess of the required amount. We will reconcile

any excess payments that may occur and provide necessary recommendations in future FSRs or through the annual budget process.

Proposition O

The Bureau projects \$340,147 in expenditures for Proposition O activities in 2024-25. These activities are front funded by the Measure W-Safe Clean Water-Municipal Program Special Fund (MWLRF) and reimbursed on a yearly basis. If the Bureau does not receive an appropriation from Proposition O to reimburse the MWLRF by year end, the City must process a Reserve Fund loan equal to the unreimbursed amount. We will work with the Bureau, the Bureau of Engineering, and the Public Works, Office of Accounting to ensure the completion of the necessary reimbursements to mitigate the need for a Reserve Fund loan.

This Office recommends the following transactions at this time:

- Appropriate \$2,000 from the Environmental Affairs Trust Fund to the Bureau's Travel Account for a Clean Cities and Communities Training Workshop held in St. Paul, Minnesota.
- Transfer \$506,220 from the Bureau's Salaries General Account to the Hiring Hall Salaries (\$329,875) and Benefits Hiring Hall (\$176,345) accounts within SCM to address increased hiring hall staff costs due to vacancies and critical maintenance needs at water reclamation plants.
- Transfer \$153,350 from the Sanitation Expense and Equipment Account within SWRRF to the Bureau of Engineering's Salaries General Account to complete a topographic survey of two Bureau of Sanitation collection yards as part of the facilities' required Stormwater Pollution Prevention Plans.
- Transfer \$104,647.19 from the Payment for Sewer Construction Maintenance Fund Loan Account within the Stormwater Pollution Abatement Fund to the Interest Income – Other Account within the Sewer Operations and Maintenance Fund to provide a reimbursement for a loan authorized in 2018-19.
- Transfer a total of \$447,000 from the Bureau's Sanitation Expense and Equipment Account (\$161,500) within the Solid Waste Resources Revenue Fund and Salaries General Account within the General Fund (\$285,500) to the Information Technology Agency's Communication Services Account to install security cameras at five of the Bureau's Solid Resources and Livability Services District Yards, offices, and SAFE Centers.
- Transfer \$146,092.80 from the Bureau's Sanitation Expense and Equipment Account within SCM (\$73,046.40) and SWRRF (\$73,046.40) to the Information Technology Agency's

Additional Interfund Transfer – Other Funds Account to reimburse ITA for the Bureau’s annual share of fiber service lease costs in City Hall East and connections to other facilities.

**JJ. Public Works/Bureau of Street Lighting
Recommendation No. 33
Attachment 5 – Transfers between Departments and Funds**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Street Lighting Improvements and Supplies	\$ 0.07	\$ -	Projected surpluses are based on the average three year expenditure rate and anticipated operational needs through year end.
General Fund Total	\$ 0.07	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.91	\$ -	Projected surplus is due to staff vacancies.
Operating Supplies	1.04	-	Projected surpluses are based on the prior-year expenditure trends and anticipated operational needs through year end.
Other Surplus Accounts	0.27	-	
Special Funds Total	\$ 2.22	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 7.18	\$ 6.83	\$ (0.35)	Proejected revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies.

Street Lighting Maintenance and Assessment Fund

This Office projects a year-end revenue shortfall of \$1.5 million from the Street Lighting Maintenance and Assessment Special Fund (SLMAF) revenue budget of \$61.47 million. The shortfall is primarily driven by lower than projected receipts through August 2024 for Telecom

Installation St. Light Poles (Co-Location). The Bureau anticipates a decrease in Co-Location revenue due to lower rates of construction requests and lease fees from telecom companies. This Office will work with the Bureau to ensure that it maintains sufficient special fund spending surpluses to offset this revenue shortfall to mitigate the potential impact on the General Fund. After adjusting spending to offset any revenue shortfall, should there be additional surplus funds in SLMAF expenditure accounts, those funds will need to be redirected to the Energy Account to pay DWP energy bills for the cost of powering street lights.

This Office recommends the following transactions at this time:

- Rescind Recommendation No. 5 included in C.F. 19-0898-S4 to transfer \$150,000 from the Digital Inclusion Fund No. 65Q/50, Universal Broadband Services Account No. 50VUBS to the Bureau of Street Lighting’s Contractual Services Account to pay for the purposes of front-funding the “LA-BSL Destination Crenshaw – Digital Equity Zone project.” The required funds have already been directly transferred from the Digital Inclusion Fund to Destination Crenshaw in August 2024.
- Transfer \$55,333.33 from the Bureau’s Contractual Services Account within the General Fund to the General Services Department (GSD) Contractual Services Account to pay for security services at the Raymer Street Yard.
- Transfer \$150,000 from the Digital Inclusion Fund No. 65Q/50, Universal Broadband Services Account No. 50VUBS to the Library’s Contractual Services Account within Fund 300 to pay for a FUSE Fellow working on digital inclusion-related outreach and engagement efforts.
- Transfer \$150,000 from CTIEP Fund No. 100/54, Digital Inclusion Account No. 00V837 to the Library’s Office and Administrative Account within Fund 300 to expand, enhance and/or maintain Library digital inclusion services and programs within the Canoga Park area.

KK. Public Works/Bureau of Street Services
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	\$ (0.18)	\$ 0.18	Projected overspending is associated with special event services provided by the Bureau.
General Fund Total	\$ (0.18)	\$ 0.18	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Overtime General	\$ (0.50)	\$ 0.50	Projected overspending is due to staff overtime for work related to the LA28 Olympic Games.
Special Funds Total	\$ (0.50)	\$ 0.50	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 89.70	\$ 89.70	\$ -	This Office anticipates that the Bureau will meet its General Fund revenue budget by year end.

This Office recommends transfers from the Road Maintenance and Rehabilitation and BSS Transaction Fund to the Bureau for special events services and support for the LA28 Olympic Games. These transactions will fully address the projected Overtime General overspending.

This Office recommends the following transactions at this time:

- Transfer of \$500,000 from SB1 allocation for the LA 2028 Olympic and Paralympic Games (LA28 Games) to the Bureau's Overtime Salaries account. Funding is necessary to implement multimodal improvements surrounding the proposed venues of the LA 2028 Games. Staff will require overtime funding to: 1) conduct a needs assessment on major and secondary streets near venues and first-last mile corridors; 2) develop preliminary scope based on the needs assessment; 3) coordinate with other agencies such as Metro and Caltrans to work collaboratively on regional improvements; 4) prepare cost estimates, and 5) prepare a plan for implementation.
- Transfer \$5,919,450.46 from the Street Services Transaction Fund to the Bureau of Street Services (\$982,892), the Department of Transportation (\$963,757), the Solid Waste Resources Fund (\$51,160), the Department of Building and Safety (\$1,049), the Fire Department (\$218,369), and the Police Department (\$4,202,223), for salaries, overtime, and other expenses associated with special events.

LL. Recreation and Parks
No Recommendation

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 8.79	\$ -	Projected surplus is due to staff vacancies. The Department's vacancy rate is 20 percent as of August 2024.
Contractual Services	0.96	-	Projected surpluses in several expense accounts are based on prior-year and year-to-date expenditure trends and projected operational needs through year end.
Other Surplus Accounts	1.21	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries As-Needed	(7.00)	-	Projected overspending is primarily due to unbudgeted salary costs associated with the civilian labor agreements approved last fiscal year.
Maintenance Materials, Supplies and Services	(1.22)	-	Projected overspending is due to reductions to budgeted funds for these accounts.
Operating Supplies	(0.31)	-	
Special Funds Total	\$ 2.43	\$ -	

Special Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 57.40	\$ 57.40	\$ -	This Office projects the Department will meet its self-generated revenue budget by year end.

This Office anticipates that the projected overspending in the Salaries As-Needed, Maintenance Materials, Supplies and Services, and Operating Supplies accounts will be resolved through transfers from the projected Salaries General surplus. We will continue to work with the Department to monitor these accounts and report with recommendations necessary to address the overspending in a future FSR.

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:

Center Name	Date Opened to the Public	Licensed Capacity	No. Enrolled as of September 2024	Available Enrollment Slots
Branford Child Care Center	8/15/2022	50	5	45
Downey Child Care Center	7/10/2023	44	11	33
Evergreen Child Care Center	7/10/2023	46	6	40
Hubert Humphrey Child Care Center	7/10/2023	52	7	45
Ira C. Massey Child Care Center	7/10/2023	30	6	24
Victory Valley Child Care Center	8/15/2022	50	9	41
Total		272	44	228

The soft openings of the Echo Park and Van Ness Child Care Centers have been delayed until November 2024 due to challenges in recruiting qualified full-time and part-time staff to support the child care program. South Park Child Care Center has not received its license, resulting in a further delay to that center’s soft opening. The 2024-25 Adopted Budget includes \$250,000 to transition City operation of childcare centers to non-City providers. The Department’s report on the challenges to increase staffing at childcare centers and center enrollment goals along with the cost efficiency of program delivery models is pending.

This Office does not recommend any transactions at this time.

MM. Transportation
Attachment 3 – New Appropriations
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Operating Supplies	\$ 0.05	\$ -	Projected surpluses are based on prior-year expenditure trends.
Other Surplus Accounts	0.03	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(4.49)	-	Projected overspending is due to unbudgeted costs associated with the civilian labor agreements approved last fiscal year.
Salaries As-Needed	(2.15)	-	
Overtime General	(3.36)	-	Projected overspending is due to increased staff overtime to maintain current service levels in light of vacancies and to provide traffic control services for special events.
Contractual Services	(2.11)	(0.30)	Projected overspending is due to unbudgeted contract costs for security services (\$1.11 million), high touch disinfection (\$0.12 million), Mobility Data Software software licensing fees (\$0.53 million), and Verizon invoices (\$0.37 million).
Office and Administrative	(0.18)	0.18	Projected overspending is due to software licensing fees.
General Fund Total	\$ (12.21)	\$ (0.12)	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
Surpluses (Shown as Positive, in millions)			
Salaries General	\$ 11.94	\$ (5.17)	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.38	-	Projected surpluses are based on prior-year expenditure trends.
Overspending (Shown as Negative, in millions)			
Overtime General	(9.01)	7.86	Projected overspending is due to increased staff overtime to maintain service levels in light of full-time vacancies and to support the Pavement Preservation Program.
Salaries As-Needed	(0.14)	-	Projected overspending is due to the increased use of as-needed staff to maintain service levels in light of full-time vacancies.
Office and Administrative	(0.46)	0.46	Projected overspending is due to a unbudgeted radio and equipment purchases for field staff.
Special Funds Total	\$ 2.71	\$ 3.15	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 121.62	\$ 89.03	\$ (32.59)	Projected revenue shortfall is primarily due to reduced related cost reimbursements (\$29.11 million), Filming Permits (\$1.01 million), and Services to Department of Water and Power (\$1.65 million), and Services to Los Angeles World Airports (\$0.36 million).

This Office recommends a transfer within the General Fund, from the Contractual Services Account to address the projected Office and Administrative overspending. This transfer will not cause short-term cash flow issues for the Contractual Services Account and allow for the timely payment of software licensing fees. This Office recommends transferring \$5.17 million from the projected Salaries General surplus in various special funds (Measure M Local Return Fund, Proposition C Anti-Gridlock Transit, Measure R Local Return Fund, and Permit Parking Program Revenue Fund) to partially address the projected overspending in the Overtime General Account and to fully address the projected special fund Office and Administrative Account overspending. Additionally, we recommend a transfer of \$3.11 million from the DOT Trust Fund to the Overtime General

Account to reimburse the Department for staff overtime for special events. We will continue to work with the Department to monitor its expenditures and report with the recommendations necessary to address projected overspending in a future FSRs.

The Los Angeles Police Department reported that they are no longer enforcing the Bandit Taxicab Program and thus, the overtime funds provided by the Transportation Regulation and Enforcement Trust Fund are no longer needed. Therefore, this Office recommends reducing this appropriation.

2023-24 Los Angeles County Metropolitan Transportation Authority Reimbursements

In the 2023-24 Year-End FSR, the Council and Mayor approved an instruction for the Department to take all action necessary to maximize reimbursement of 2023-24 salary costs from the Los Angeles County Metropolitan Transportation Authority (MTA) and report in the First FSR for 2024-25 on the status of these reimbursements. The Department has stated that one-time cash payouts may be deemed ineligible and possibly subject the City to negative audit findings which may result in the City having to reimburse Metro. Therefore the Department has recommended that the City pursue terms to maximize all reimbursements in future Metro Annual Work Plan/Cooperative Agreements.

This Office recommends the following transactions at this time:

- Transfer and appropriate \$3,116,930.65 from the Transportation Account (Department of Transportation Trust Fund) to the Department's Overtime General Account for special events reimbursements.
- Appropriate \$9,815.70 from the Department of Transportation Account within the Street Furniture Revenue Fund to the Department's Overtime General Account for services to be performed for the Pedestrian Hybrid Beacon/HAWK at the Magnolia Boulevard/Tyrone Ave intersection.
- Appropriate \$28,000 from the Transportation Account within the State AB1290 Fund to the Department's Overtime General Account for services to be performed for a signal timing change at the Barham and Lake Hollywood intersection.
- Transfer \$36,521 from the Salaries General Account (Permit Parking Program Revenue Fund) to the Overtime General Account to address the projected overspending.
- Transfer \$1,470,609 from the Salaries General Account (Measure M Local Return Fund) to the Overtime General Account to address the projected overspending.
- Transfer \$2,400,000 from the Salaries General Account (Proposition C Anti-Gridlock Transit Fund) to the Overtime General Account to address the projected overspending.
- Transfer \$800,000 from the Salaries General Account (Measure R Local Return Fund) to the Overtime General Account to address the projected overspending.

- Transfer \$175,000 from the Contractual Services Account to the Office and Administrative Expense Account for software licensing fees.
- Transfer \$462,000 from the Salaries General Account (Measure M Local Return Fund) to the Office and Administrative Expense Account for radio and equipment.
- Transfer \$129,333 from the Contractual Services Account to the General Services Department's Contractual Services Account for security services at their facility at Raymer Street.
- Transfer \$385,000 from the cash balance within the Measure M Local Return Fund to the Metro Rail Annual Work Program Account within the same Fund to reimburse the account for the Roscoe Blvd. Bus Lane Project.
- Reduce appropriations of \$635,000 within the Transportation Regulation and Enforcement Trust Fund No. 596/94 to the Los Angeles Police Department since the LAPD is no longer performing enforcement for the Bandit Taxicab Program.
- Transfer \$600,000 from the Transportation Account (Department of Transportation Trust Fund) Fund No. 840/94, Account No. 94WE40, LA Al Fresco Program, to the City Administrative Officer Fund No. 100/10, Account No. 003040, Contractual Services to pay for a task order for compliance with American Rescue Plan Act (ARPA) statutory requirements.

**NN. Youth Development
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries As-Needed	\$ 0.015	\$ -	Projected surpluses are based on prior-year and year-to-date expenditure trends and projected operational needs through year end.
Contractual Services	0.046	-	
Other Surplus Accounts	0.011	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.048)	-	Projected overspending is due to unbudgeted costs associated with the civilian labor agreements approved last year.
Office and Administrative	(0.008)	-	Projected overspending is based on current and prior-year expenditure trends.
General Fund Total	\$ 0.016	\$ -	

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries General	\$ 0.038	\$ -	Projected surplus is due to staff vacancies.
Contractual Services	0.012	-	Projected surplus is based on year-to-date expenditure trends.
Special Funds Total	\$ 0.050	\$ -	

This Office anticipates that the projected General Fund overspending will be addressed through administrative transfers using projected savings from other accounts. The Department has no budgeted General Fund revenues.

Californians for All Youth Workforce Development Grant

The Department is responsible for overseeing the evaluation component of the Californians for All Youth Workforce Development Grant (CA4All), 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). This grant had an original term of April 14, 2022 to May 1, 2024, which was 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 September 13, 2024, EWDD has processed reimbursements through December 2023. EWDD anticipates the State will reimburse these expenses by mid-October 2024, at which point reimbursements for the Department’s expenses from January to March 2024 will be processed and subsequently transferred to the Reserve Fund by year end.

This Office does not recommend any transactions at this time.

OO. Zoo
No Recommendation

Special Funds			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Salaries As-Needed	\$ 0.28	\$ -	Projected surplus is due to program closures, hiring delays, and anticipated attrition.
Contractual Services	0.20	-	Projected surpluses are based on prior-year expenditure trends and operational needs through year end.
Animal Feed and Grain	0.22	-	
<i>Overspending (Shown as Negative, in millions)</i>			
Salaries General	(0.37)	-	Projected overspending is due to unbudgeted costs associated with the civilian labor agreements approved last fiscal year.
Special Funds Total	\$ 0.33	\$ -	

This Office anticipates that the projected Salaries General overspending will be addressed by transfers from the projected surpluses in the Salaries As-Needed, Contractual Services or Animal Feed and Grain accounts. We will continue to work with the Department to monitor its Salaries General expenditures and report in a future FSR with recommendations necessary to address projected overspending. This Office does not recommend any transactions at this time.

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 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
Medicare	\$ 2.58	\$ -	Projected surplus is due to lower than anticipated wages, offset partially by higher than expected staffing.
Pension Savings Plan	0.38	-	
General Fund Total	\$ 2.96	\$ -	

This Office projects a surplus in General City Purposes of \$2.96 million. The surplus is in the Medicare (\$1.86 million) and Pension Savings Plan (\$0.38 million) accounts and in both cases is the result of lower than anticipated salaries partially offset higher than anticipated staffing levels. While the estimate does account for approved salary increases, it does not include an estimated impact for the sworn Fire agreements, which are not yet final. If the City approves agreements with compensation adjustments in 2024-25, the reported surplus will be lower. This Office expects to refine our analysis throughout the fiscal year as the City approves pending agreements and more payroll data becomes available.

This Office recommends the following transaction at this time:

- Transfer \$242,500 from the Council District Community Services Account, Council District 8, to the Council Community Projects Account to restore funding that was previously used while the intended account awaited its new appropriation.

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 2024-25 Adopted Budget includes \$338.45 million for the Unappropriated Balance (UB). Through October 17, 2024, the Mayor and City Council have approved a net of \$71.55 million in transactions, leaving a balance of \$266.90 million in the UB and completely depleting the Reserve for Mid-Year Adjustments Account.

This report includes recommendations to transfer \$6.97 million from various UB accounts, which leaves a remaining balance of \$259.93 million.

This Office recommends the following transactions at this time:

- Transfer \$856,993 from the UB, Election Expenses – General Municipal Elections Account to the City Clerk’s Elections Account to pay the County invoice for the March 2024 Primary Election.
- Transfer \$6,107,240 from the UB, Ground Emergency Medical Transport QAF Program Account to the Fire’s Contractual Services Account for the Ground Emergency Medical Transport QAF Program quarterly invoice.

**C. Human Resources Benefits
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Overspending (Shown as Negative, in millions)</i>			
Civilian Benefits Program	\$ (8.77)	\$ -	Projected overspending is due to the impact of increasing enrollment and higher than assumed health plan premium rate increases.
Fire Health and Welfare Program	(0.33)	-	Projected overspending is due to higher than assumed health plan rate increases, partially offset by reductions in enrollment.
Police Health and Welfare Program	(0.73)	-	
Supplemental Civilian Union Benefits	(0.28)	-	Projected overspending is due higher than assumed rates and benefit payments.
General Fund Total	\$ (10.11)	\$ -	

General Fund Revenue (Figures in Millions)			
Revenue Budget	First FSR	Variance from Budget	Projection Basis
\$ 4.20	\$ 4.20	\$ -	This Office projects the Fund will meet its General Fund budget by year end.

The projected overspending is primarily due to higher premium rate costs and increased civilian enrollment compared to the budget in the Civilian Benefits Program (\$8.77 million). While the budget projection assumed attrition to offset hiring, for no net change in overall civilian enrollment due to the implementation of the Prioritized Critical Hiring (PCH) process, the City has experienced a 0.5 percent increase in enrollment since the beginning of the fiscal year (136 employees) and a two percent increase in enrollment since February 2024 when the PCH process was implemented (539 employees). Our year-end projection assumes that there will be no further net increases in civilian enrollment.

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

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

The 2024-25 Adopted Budget provides \$87.37 million for Liability Payouts, allocated between the Miscellaneous Liability Payouts (\$80 million) and Public Works, Sanitation Liability Payouts Accounts; \$2 million from the Solid Waste Resources Revenue Fund (SWRRF) and \$5.37 million from the Sewer Operations & Maintenance Fund (SCM). From the General Fund account, \$0.8 million was transferred to the Community Investment for Families Department for housing and other services related to the fireworks explosion on 27th Street. This fiscal year, a total of \$102.62 million has been transferred from the Unappropriated Balance, Reserve for Extraordinary Liability (\$20 million), Unappropriated Balance, Reserve for Mid-Year Adjustments (\$59.38 million), and the Reserve Fund (\$23.24 million) (C.F. 24-0824 and C.F. 24-1060). After these transfers, there is a total of \$190 million for liability payouts (\$182.63 million in General Fund and \$7.37 million for the Bureau of Sanitation).

As of September 27, 2024, the City has paid \$96.98 million and approved an additional \$74.94 million, which is pending payment. This results in an available balance of \$17.23 million (\$12.43 million in General Fund and \$4.80 million for the Bureau of Sanitation) for the remainder of the fiscal year. The Department reports there are \$25.38 million worth of cases pending Council approval (\$24.66 million in General Fund and \$0.72 million for the Bureau of Sanitation), and \$82.81 million (\$80.30 million in General Fund and \$2.51 million for the Bureau of Sanitation) pending final report. Including these items pending various levels of approval, the projected year-end over-expenditure is approximately \$90.11 million (\$91.69 million in General Fund and a \$1.58 million surplus from the Bureau of Sanitation). The projected \$90.11 million in General Fund overspending only represents approved and pending payments

This Office will continue to monitor this Account and recommend transfers in future FSRs as necessary, most likely from the Reserve Fund. In some cases, the City Attorney may recommend Reserve Fund transfers as part of the report recommending approval of the settlement or

judgment. We will work with the City Attorney to determine when such recommendations are appropriate.

**E. Leasing Account
No Recommendation**

General Fund			
Account Name	First FSR	Proposed FSR Changes	Projection Basis
<i>Surpluses (Shown as Positive, in millions)</i>			
General Fund Leasing	\$ 0.52	\$ -	Projected surplus reflects the aggregate sum of all lease surpluses and shortfalls projected at year-end for currently approved agreements.
General Fund Total	\$ 0.52	\$ -	

The 2024-25 Adopted Budget provides \$27.63 million for General Fund Leasing costs. In addition, \$5.32 million was reappropriated from 2023-24, for a total revised budget of \$32.95 million. Based on currently approved lease agreements, we project total year-end expenditures of approximately \$32.43 million, which results in a projected surplus of \$0.52 million. Our projection does not include the costs associated with two lease agreements being considered by the Municipal Facilities Committee. If these lease agreements are approved, we project overspending of approximately \$0.11 million. This Office does not recommend any transactions at this time.

**3. STATUS OF EMPLOYMENT
Attachment 9 – Employment Level Report**

Citywide employment authority from all funding sources totaled 38,131 at the end of August for both civilian and sworn classes. There are 32,369 filled positions at the end of August. Departments reported a total of 5,762 vacant positions: 3,837 General Fund and 1,925 special funded.

**4. STATE BUDGET
No Recommendation**

On June 26, 2024, Governor Newsom signed the 2024-25 Budget Act. The Budget solves a \$46.8 billion deficit in 2024-25 through a mix of broad-based solutions. These solutions include reductions in funding (\$16 billion), revenue and internal borrowing (\$13.6 billion), reserves (\$6 billion), fund shifts (\$6 billion), delays and pauses (\$3.1 billion), and deferrals (\$2.1 billion). The budget shortfall is due to a reduction in revenues as a result of a declining stock market and persistently high inflation in 2022, rising interest rates, and job losses in high-wage sectors. In addressing the \$46.8 billion deficit, the Budget maintains the multiyear fiscal structure of the May Revision, providing positive balances in the state’s operating reserve and the Special Fund for Economic Uncertainties. We list budget proposals with potential impacts to the City below:

Homelessness

As part of the state's continued focus on homelessness, the Budget includes \$1.25 billion in new funding for homelessness programs. This includes \$1 billion General Fund in 2024-25 for a sixth round of Homeless Housing, Assistance, and Prevention (HHAP) grants to eligible cities, counties, and continuums of care. The Budget also includes statutory language that requires more frequent reporting by grantees on HHAP expenditures, requires corrective action plans for grantees that are not meeting their HHAP system performance measures, and requires cities and counties to have a compliant Housing Element to receive the second half of their HHAP Round Six award.

Transportation

The 2022 Budget Act included \$13.8 billion for transportation programs and projects that align with the state's climate goals. The 2024-25 Budget maintains \$13.1 billion of these investments. The Budget includes \$675 million in General Fund reductions, \$1.5 billion in fund shifts, and \$1.8 billion in delays across various programs.

K-12 Education

The Budget includes total funding of \$133.8 billion (\$81.5 billion General Fund and \$52.3 billion other funds) for all K-12 education programs. The Budget reflects significant Proposition 98 funding that enables increased support for core programs such as the Local Control Funding Formula, special education, transitional kindergarten, nutrition, and preschool.

Health and Human Services

The Health and Human Services Agency oversees departments and other state entities that provide health and social services to California's vulnerable and at-risk residents. The Budget includes total funding of \$260.8 billion (\$71.6 billion General Fund and \$189.1 billion other funds) for all programs overseen by this Agency. This includes \$161 billion (\$35 billion General Fund) in the Medi-Cal program, which is projected to cover approximately 14.5 million individuals in 2024-25.

Climate

The 2024-25 Budget includes over \$44.6 billion in climate investments over the next eight years. The 2024-25 Budget prioritizes equity and investments in populations facing disproportionate harm from pollution and the climate crisis.

Public Safety

The 2024-25 Budget continues to invest in strategies focused on positive policing, including resources to support peace officer wellness and training and to address peace officer misconduct.

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

5. AMERICAN RESCUE PLAN ACT – STATE AND LOCAL FISCAL RECOVERY FUNDS
Attachment 3 – New Appropriations

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 eleventh quarterly Project and Expenditures Report by the July 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 \$17 million from April 1, 2024, through June 30, 2024 and total spending of approximately \$1.211 billion to date.

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

Total SLFRF Award (amounts in millions)	\$ 1,278.90	
SLFRF Expenditures by Type as of 06/30/24	Totals	% of total SLFRF Award
Government Services Expenditures	\$ 1,102.88	86.2%
"Stand Alone Project" Expenditures	107.81	8.4%
Total Expenditures Reported	\$ 1,210.70	94.7%
Unexpended SLFRF as of 06/30/24	Totals	% of total SLFRF Award
Budgeted SLFRF Allocated to Stand-Alone Projects	\$ 72.38	5.6%
Unbudgeted SLFRF Allocated to Government Services	(4.17)	(0.3%)
Total SLFRF Remaining Balance	\$ 68.20	5.3%

This Office currently utilizes a consultant services contract with KPMG to support our efforts to provide accurate and timely spending reports to the U.S. Treasury, comply with all grant requirements, and maintain and provide comprehensive documentation to enable our responses to ongoing and future audit. This Office has identified funding in other SLFRF projects that can be used to continue its consultant services contract with KPMG through September 2025. This FSR includes a transfer of \$600,000 from the Department of Transportation for that purpose. This Office is working with the Department of Recreation and Parks to identify other available SLFRF funds to cover the remaining portion of this contract. In this report, we also recommend an additional transfer up to \$4,804, which constitutes the remaining balance in the ARPA Trust Fund, to partially cover the cost of the consultant services contract with KPMG.

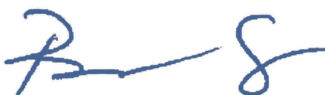
This Office recommends the following transaction at this time:

- Appropriate the available cash balance, up to \$4,804 within the American Rescue Plan Act Fund, No. 64M, to the CAO's Office, Fund No. 100/10, Account 003040, Contractual Services, to fund the 2024-25 costs for ARPA administration consultant support.



Nicholas S. Campbell, Finance Specialist IV

APPROVED:



Ben Ceja, Assistant City Administrative Officer

MWS:BC:JWW:NSC:01250029C

Attachments

Attach1A-Adopt23-24 Rev

**2023-24 Adopted and Revised General Fund Revenue
Preliminary Final Receipts through June 2024**

(Thousand Dollars)

	Adopted Budget	Revised Budget	Prelim Final Receipts	Adopted Budget Variance	Revised Budget Variance	Comments on Variance from Revised Budget
Property Tax	\$2,640,250	\$2,636,562	\$2,664,437	\$24,187	\$27,876	Secured May receipts were \$26.5m above the revised plan with additional supplemental (\$2.7m) and miscellaneous (\$0.3m) receipts offset by -\$0.8m in lower redemptions and -0.8m in higher refunds.
Property Tax Ex-CRA Inc.	143,730	137,589	140,163	(3,567)	2,573	Actual receipts came in above the County Auditor-Controller's April estimate.
Department receipts (LPFF and reimbursements)	1,363,324	1,356,001	1,307,939	(55,386)	(48,063)	The shortfall from the revised estimate is primarily attributed to reduced reimbursements (-\$41.7m) from delayed billings, vacancies and funding availability) and lower fee revenue (-\$6.4m).
Business Tax	847,200	820,855	779,296	(67,904)	(41,559)	Receipts from non-cannabis and cannabis related business activity were -\$39.3m and -\$2.2m below the revised budget.
Sales Tax	724,230	680,850	678,857	(45,373)	(1,993)	Sales tax receipts, which had been decreased in the revised budget to reflect declining receipts, continued to fall in the final quarter.
Utility Users' Tax	650,490	667,560	681,696	31,206	14,136	Electricity, gas, and communication users taxes ended above revised estimates by \$0.5m, \$2.1m, and \$11.6m respectively. Communication users tax includes an atypical amount of excess receipts (between \$8.8m and \$12.6m) recorded in June that does not appear to be economically driven.
Transient Occupancy Tax	342,430	325,675	311,383	(31,047)	(14,292)	Receipts from hotel and short-term rental activity fell below the reduced budget (-\$13.2m and -\$1.1m, respectively).
Power Revenue Transfer	236,502	244,695	244,695	8,193	-	
Documentary Transfer Tax	198,610	158,240	159,781	(38,829)	1,541	Uptick in sales and prices resulted in \$2.3m in excess property transfer receipts, offset by a -\$0.8m shortfall in legal entity transfers. Sales activity remains below pre-pandemic levels and price per deed is below FY23 levels.
Franchise Income	137,810	140,892	145,509	7,699	4,617	Gas users tax ended \$5.4m above the revised budget and was offset by cable franchise was (-\$0.7m) and other minor variances (net -\$0.1m).
Parking Occupancy Tax	129,195	129,740	129,239	44	(501)	Shortfall reflects a drop in receipts recorded in June.
Parking Fines	115,000	107,476	109,552	(5,448)	2,076	Parking fine receipts exceeded projections in the final quarter after the estimate was decreased to reflect lower issuance and collection activity.
Grant Receipts	109,193	56,406	53,557	(55,635)	(2,849)	Shortfall is attributed to reduced and delayed grant receipts from departments.
Special Parking Revenue Transfer	32,388	32,388	32,388	-	-	
Tobacco Settlement	10,710	10,715	9,555	(1,155)	(1,160)	
Residential Development Tax	4,910	4,380	4,010	(900)	(370)	Monthly receipts are variable.
State Motor Vehicle License Fees	3,994	4,812	4,812	818	(0)	
Subtotal General Fund	\$7,689,966	\$7,514,837	\$7,456,870	(\$233,095)	(\$57,966)	
Interest Income	77,000	81,589	87,967	10,967	6,378	
Transfer from Reserve Fund	136,370	136,370	136,370	0	-	
Total General Fund	\$7,903,336	\$7,732,796	\$7,681,208	(\$222,128)	(\$51,588)	

Attach1B - 24-25 Revenue

**2024-25 Adopted General Fund Revenue
Through September
(Thousand Dollars)**

Adopted Budget	Plan Through September	Receipts Through September	Receipts as Percent of Budget	September Plan Variance	Comments on Variance from September Plan
Property Tax	\$2,770,359	\$127,583	\$108,770	3.9%	(\$18,813) Shortfall corresponds to the prior property tax remittance period which reflects a higher-than-estimated remittance for May 2024 (\$27.9m in early receipts). The current shortfall includes lower secured (-\$23.4m) and redemption (-\$0.6m) payments offset by higher secured, supplemental and adjusted receipts and lower refund activity (\$3.4m, \$1.3m, \$0.2m, and \$0.4m, respectively). There is further downside risk to this receipt as the adopted budget assumed 4.75% growth, whereas the County Assessor has estimated 4.6% growth for the City.
Property Tax Ex-CRA Inc.	142,560	-	-	-	-
Department receipts (LPFF and reimbursements)	1,421,407	217,385	258,788	18.2%	41,403 Current surplus is attributed to delayed and unanticipated prior year remittances, of which \$5.7m has been identified for new appropriations or as transfers to other funds.
Business Tax	837,060	51,126	57,096	6.8%	5,970 Excess business tax receipts from non-cannabis activity is offset by a -\$2.0m shortfall in receipts from cannabis activity. It is likely that excess receipts reflect the delayed recording of FY24 LATax receipts, which ended the year -\$41.6m below the revised budget.
Sales Tax	691,035	171,733	171,087	24.8%	(646) There is downside risk based on the decline in year-over-year sales for the quarter.
Utility Users' Tax*	685,130	177,795	165,798	24.2%	(11,997) Reported figures includes \$4.4m in LATax gas tax receipts that have not been recorded in FMS. Shortfalls in EUT and gas tax receipts (-\$9.6m and -\$3.2m respectively), are offset by \$0.8m in additional CUT receipts.
Transient Occupancy Tax*	342,810	91,947	83,219	24.3%	(8,728) Reported figures include \$4.6m in LATax receipts that have not been recorded in FMS, with hotel and short-term rental receipts -\$7.6m and -\$2.1m below plan respectively. Monthly receipts have remained relatively unchanged since FY23. However recent receipts appear to be declining.
Power Revenue Transfer	227,481	-	-	-	-
Grant Receipts	224,595	1,646	6,072	2.7%	4,426 DWP's budgeted transfer is \$0.5m higher than the adopted general fund budget. Excess receipts are primarily attributed to increased and prior-year departmental grant receipts for the Public Works department. The budget includes \$208.4 million in FEMA reimbursements for which timing has been challenging to predict.
Documentary Transfer Tax	168,770	49,660	47,555	28.2%	(2,105) Property and legal entity transfers are -\$1.3m and -\$0.8m below budget, respectively. The adopted budget assumed that declining sale prices would coincide with a gradual recovery in sales. However sales volume has continued to decline to levels seen during the real estate market bust.
Franchise Income	147,537	34,827	28,420	19.3%	(6,407) Shortfall is primarily attributed to natural gas franchise receipts (\$-7.7m) which was reduced by the California climate credit. Offsetting the shortfall is a net surplus of \$1.3m in other categories.
Parking Occupancy Tax*	134,570	33,920	37,285	27.7%	3,365 Reported figures include \$3.3m in LATax receipts that have not been recorded in FMS. Monthly receipts are variable.
Parking Fines	110,000	27,725	27,656	25.1%	(69) Receipts are near plan.
Special Parking Revenue Transfer	24,623	-	-	-	-
Tobacco Settlement	10,715	-	-	-	-
State Motor Vehicle License Fees	4,813	-	-	-	-
Residential Development Tax	4,680	1,170	767	16.4%	(403) Monthly receipts are variable.
Subtotal General Fund	\$7,948,145	\$986,517	\$992,512	12.5%	\$5,995
Interest Income	84,501	24,389	55,366	65.5%	30,977 Receipts are variable and excess receipts may be owed to special funds.
Transfer from Reserve Fund	-	-	-	-	-
Total General Fund	\$8,032,646	\$1,010,906	\$1,047,878	13.0%	\$36,972

Attachment 1C

Annual Property Tax by Account

(Thousand Dollars)

	2023-24				2024-25 through September			
	ADOPTED	REVISED	ACTUAL	VARIANCE	ADOPTED	PLAN	ACTUAL	VARIANCE
Secured	1,887,660	1,888,303	1,914,827	26,524	1,994,630	56,650	33,257	(23,393)
Unsecured	67,320	69,762	69,764	(2)	71,158	53,742	57,181	3,439
Homeowner Exemption	7,640	7,444	7,442	2	7,340	-	-	-
Supplemental	48,180	38,790	41,467	2,677	36,160	5,980	7,263	1,283
Redemptions	34,720	35,485	34,694	(791)	35,486	3,731	3,116	(615)
County Admin Charges	(24,210)	(24,871)	(24,871)	-	(26,064)	-	-	-
Refunds	(22,140)	(25,790)	(26,639)	(849)	(25,890)	(3,210)	(2,805)	405
Adjustments	-	(299)	(298)	1	-	-	154	154
Miscellaneous Property	9,480	12,831	13,146	314	12,475	10,690	10,604	(86)
1% Property Tax	2,008,650	2,001,656	2,029,531	27,876	2,105,295	127,583	108,770	(18,813)
VLF Replacement	631,600	634,906	634,906	-	665,064	-	-	-
Sales Tax Replacement	-	-	-	-	-	-	-	-
<i>subtotal</i>	<i>631,600</i>	<i>634,906</i>	<i>634,906</i>	<i>-</i>	<i>665,064</i>	<i>-</i>	<i>-</i>	<i>-</i>
Property Tax All Sources	2,640,250	2,636,562	2,664,437	27,876	2,770,359	127,583	108,770	(18,813)

(Percent Change from Prior Year)

	2023-24			2024-25
	ADOPTED	REVISED	ACTUAL	ADOPTED
Secured	2.6%	2.6%	4.1%	5.6%
Unsecured	2.5%	6.3%	6.3%	2.0%
Homeowner Exemption	-0.8%	-3.4%	-3.4%	-1.4%
Supplemental	-8.1%	-26.0%	-20.9%	-6.8%
Redemptions	1.1%	3.4%	1.1%	0.0%
County Admin Charges	-4.3%	-7.1%	-7.1%	-4.8%
Refunds	5.6%	-9.9%	-13.6%	-0.4%
Adjustments	-100.0%	-247.6%	-247.3%	100.0%
Miscellaneous Property	-1.3%	33.6%	36.8%	-2.8%
1% Property Tax	2.3%	2.0%	3.4%	5.2%
VLF Replacement	5.3%	5.9%	5.9%	4.8%
Sales Tax Replacement	-	-	-	-
<i>subtotal</i>	<i>5.3%</i>	<i>5.9%</i>	<i>5.9%</i>	<i>4.8%</i>
Property Tax All Sources	3.0%	2.9%	4.0%	5.1%

Property tax is almost one-third of all City General Fund revenue and is comprised of several components. Secured remittances represents the annual property tax payments on assessed values for land and improvements. The secured remittance for a property tax year is between December and August, thus crossing two City fiscal years. A high payment made in May, translates to lower payments in July and August. For this reason, the higher May 2024 secured payment has resulted in a surplus in 2023-24 property tax receipts and a shortfall in 2024-25 receipts-to-date.

Attachment 1D

REVENUE MONTHLY STATUS REPORT Business Tax - All Sources

(Thousand Dollars)

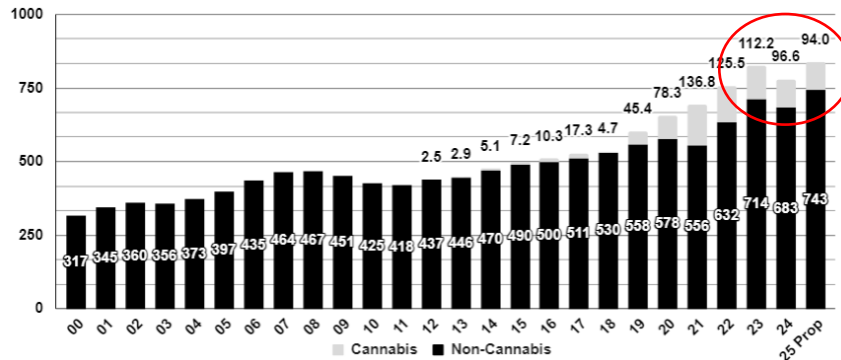
MONTHLY	2021-22		2022-23		2023-24		2024-25	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE		
JULY	\$ 24,574	21,660	19,937	17,092	20,268	3,176		
AUGUST	14,800	21,843	21,404	17,042	18,518	1,476		
SEPTEMBER	21,390	13,039	18,932	16,992	18,311	1,319		
OCTOBER	14,041	18,925	13,256	16,942				
NOVEMBER	14,439	17,970	15,240	16,892				
DECEMBER	17,967	21,862	6,928	16,842				
JANUARY	41,781	46,869	32,385	52,442				
FEBRUARY	109,098	193,059	166,422	254,747				
MARCH	356,516	333,371	377,149	340,917				
APRIL	82,356	51,767	59,907	30,047				
MAY	31,309	44,024	36,193	34,622				
JUNE	29,329	41,410	11,545	22,483				
TOTAL	\$ 757,601	\$ 825,799	\$ 779,296	\$ 837,060				
% Change	9.4%	9.0%	-5.6%	7.4%				

CUMULATIVE	2021-22		2022-23		2023-24		2024-25	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE		
JULY	\$ 24,574	21,660	19,937	17,092	20,268	3,176		
AUGUST	39,374	43,503	41,341	34,134	38,786	4,652		
SEPTEMBER	60,764	56,543	60,272	51,126	57,096	5,970		
OCTOBER	74,805	75,468	73,528	68,068				
NOVEMBER	89,244	93,437	88,768	84,960				
DECEMBER	107,212	115,300	95,695	101,802				
JANUARY	148,993	162,168	128,080	154,244				
FEBRUARY	258,091	355,227	294,502	408,991				
MARCH	614,607	688,598	671,652	749,908				
APRIL	696,963	740,365	731,559	779,955				
MAY	728,272	784,390	767,751	814,577				
JUNE	757,601	825,799	779,296	837,060				

Receipts from non-cannabis and cannabis related business activity were -\$39.3m and -\$2.2m below the revised budget. Total business tax receipts for 2023-24 fell 5.6 percent below prior year revenue. This decline reduces the base on which current year growth assumptions are based.

Business Tax - All Sources

(Million Dollars)



Attachment 1E

REVENUE MONTHLY STATUS REPORT Utility Users Tax - All Sources

(Thousand Dollars)

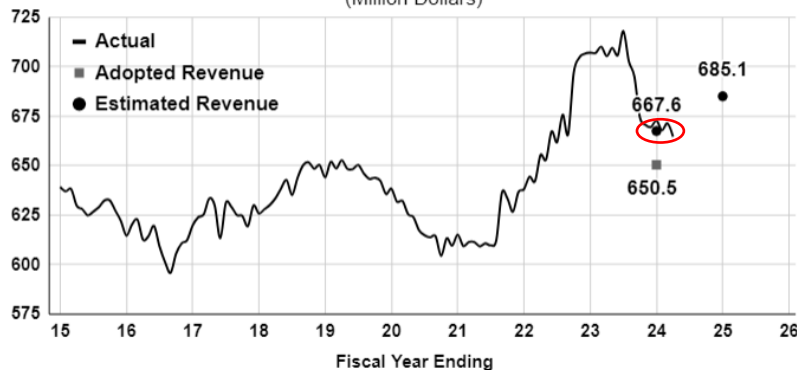
MONTHLY	2021-22		2022-23		2023-24		2024-25	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE		
JULY	\$ 51,272	57,560	57,499	60,670	52,565	(8,105)		
AUGUST	53,950	51,715	54,829	55,605	58,355	2,750		
SEPTEMBER	53,169	66,376	61,591	61,520	54,877	(6,643)		
OCTOBER	51,083	48,722	52,865	57,025				
NOVEMBER	49,693	63,979	60,385	58,300				
DECEMBER	50,044	44,646	56,777	54,335				
JANUARY	53,019	66,896	51,611	58,760				
FEBRUARY	73,798	63,892	56,228	57,455				
MARCH	48,667	79,496	58,852	60,960				
APRIL	48,359	56,190	52,451	53,145				
MAY	53,243	55,299	54,132	55,520				
JUNE	51,855	52,356	64,476	51,835				
TOTAL	\$ 638,151	\$ 707,127	\$ 681,696	\$ 685,130				
% Change	3.7%	10.8%	-3.6%	0.5%				

CUMULATIVE	2021-22		2022-23		2023-24		2024-25	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE		
JULY	\$ 51,272	57,560	57,499	60,670	52,565	(8,105)		
AUGUST	105,222	109,275	112,328	116,275	110,920	(5,355)		
SEPTEMBER	158,391	175,651	173,919	177,795	165,798	(11,997)		
OCTOBER	209,474	224,373	226,784	234,820				
NOVEMBER	259,166	288,352	287,169	293,120				
DECEMBER	309,210	332,998	343,946	347,455				
JANUARY	362,229	399,894	395,557	406,215				
FEBRUARY	436,027	463,786	451,785	463,670				
MARCH	484,694	543,282	510,637	524,630				
APRIL	533,053	599,472	563,088	577,775				
MAY	586,296	654,771	617,220	633,295				
JUNE	638,151	707,127	681,696	685,130				

Fiscal year 2023-24 UUT ended \$14.1m above the revised budget of \$667.6 million with the excess receipts in electricity, gas, and communication users taxes (\$0.5 million, \$2.1 million, and \$11.6 million respectively). Communication users tax includes an atypical amount of excess receipts (between \$8.8 million and \$12.6 million) recorded in June that does not appear to be economically driven, resulting in a one-time bump in monthly receipts.

Utility Users Tax - 12-Month Moving Sum

(Million Dollars)



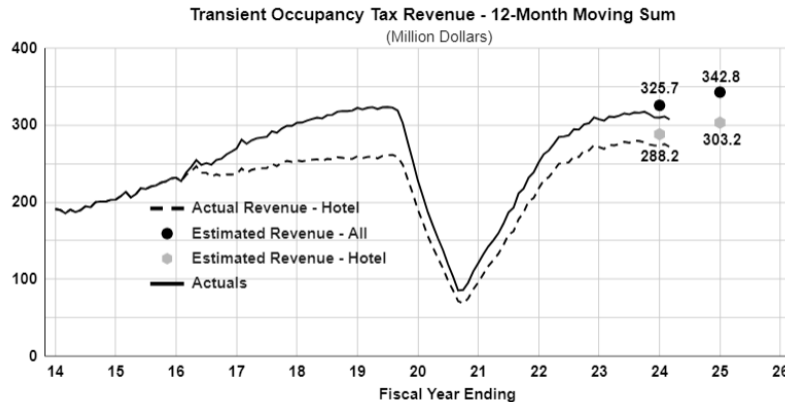
Attachment 1F

REVENUE MONTHLY STATUS REPORT Transient Occupancy Tax - All Sources (Thousand Dollars)

MONTHLY	2021-22		2022-23		2023-24		2024-25	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE		
JULY	\$ 17,115	27,534	27,089	29,594	27,476	(2,118)		
AUGUST	19,153	28,125	26,060	30,224	29,532	(692)		
SEPTEMBER	19,797	29,953	32,360	32,129	26,211	(5,918)		
OCTOBER	17,437	25,229	25,223	26,852				
NOVEMBER	18,139	28,804	28,802	30,251				
DECEMBER	19,618	23,227	22,846	24,118				
JANUARY	21,040	21,468	21,714	23,017				
FEBRUARY	11,845	22,282	22,532	25,943				
MARCH	25,001	24,011	23,538	26,957				
APRIL	19,143	27,386	26,046	31,610				
MAY	26,122	24,362	26,132	30,262				
JUNE	24,714	27,637	29,041	31,853				
TOTAL	\$ 239,124	\$ 310,017	\$ 311,383	\$ 342,810				
% Change	116.5%	29.6%	0.4%	10.1%				

CUMULATIVE	2021-22		2022-23		2023-24		2024-25	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE		
JULY	\$ 17,115	27,534	27,089	29,594	27,476	(2,118)		
AUGUST	36,268	55,659	53,149	59,818	57,008	(2,810)		
SEPTEMBER	56,064	85,612	85,509	91,947	83,219	(8,728)		
OCTOBER	73,502	110,841	110,732	118,799				
NOVEMBER	91,641	139,645	139,534	149,050				
DECEMBER	111,259	162,872	162,380	173,168				
JANUARY	132,300	184,340	184,094	196,185				
FEBRUARY	144,145	206,622	206,626	222,128				
MARCH	169,146	230,633	230,164	249,085				
APRIL	188,288	258,018	256,210	280,695				
MAY	214,410	282,380	282,342	310,957				
JUNE	239,124	310,017	311,383	342,810				

Transient occupancy receipts missed the revised budget estimate of \$325.7 million by \$14.3 million. Receipts from hotel and short-term rental activity fell below the reduced budget (\$13.2 million and \$1.1 million, respectively). This decline reduces the base on which current year growth assumptions are based. Additionally monthly receipts have been trending downwards.



Attachment 1G

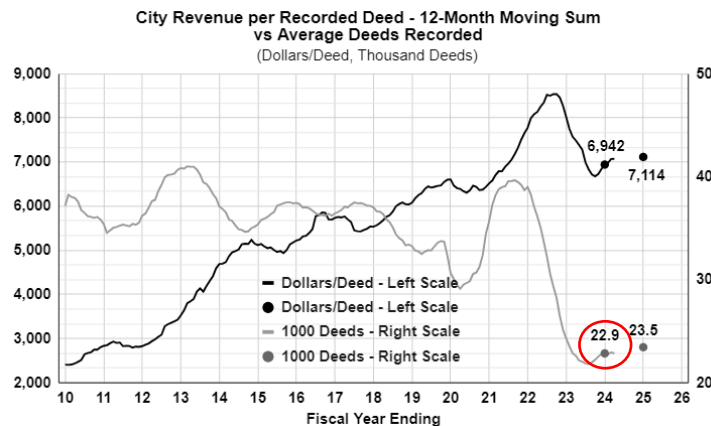
REVENUE MONTHLY STATUS REPORT Documentary Transfer Tax - All Sources

(Thousand Dollars)

MONTHLY	2021-22		2022-23		2023-24		2024-25	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE		
JULY	\$ 22,817	25,080	12,854	15,450	13,071	(2,379)		
AUGUST	29,520	23,446	14,052	16,650	17,922	1,272		
SEPTEMBER	24,407	18,861	15,538	17,560	16,561	(999)		
OCTOBER	23,293	17,692	11,901	13,490				
NOVEMBER	24,740	15,941	12,944	14,150				
DECEMBER	24,580	18,059	10,651	11,610				
JANUARY	31,950	16,986	13,077	14,150				
FEBRUARY	23,619	11,839	12,273	11,040				
MARCH	21,194	11,640	12,380	13,050				
APRIL	29,177	37,644	15,751	13,450				
MAY	27,425	11,202	13,349	13,760				
JUNE	26,083	12,874	15,011	14,410				
TOTAL	\$ 308,805	\$ 221,265	\$ 159,781	\$ 168,770				
% Change	30.9%	-28.3%	-27.8%	5.6%				

CUMULATIVE	2021-22		2022-23		2023-24		2024-25	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE		
JULY	\$ 22,817	25,080	12,854	15,450	13,071	(2,379)		
AUGUST	52,337	48,526	26,905	32,100	30,993	(1,107)		
SEPTEMBER	76,744	67,388	42,443	49,660	47,555	(2,105)		
OCTOBER	100,037	85,080	54,344	63,150				
NOVEMBER	124,777	101,021	67,288	77,300				
DECEMBER	149,357	119,080	77,939	88,910				
JANUARY	181,307	136,066	91,016	103,060				
FEBRUARY	204,925	147,905	103,289	114,100				
MARCH	226,120	159,545	115,669	127,150				
APRIL	255,297	197,189	131,420	140,600				
MAY	282,722	208,391	144,769	154,360				
JUNE	308,805	221,265	159,781	168,770				

After an increasing sales and prices increased documentary transfer tax revenue immediately following the pandemic, both fell with increasing mortgage rates triggered by consecutive increases to the federal funds rate. When changes in sales volume and prices move together we see large swings in transfer tax revenue growth and declines. The current year shortfall is modest in comparison, and can be attributed to a stall in sales growth.



**ATTACHMENT 2
STATUS OF RESERVE FUND AS OF 10/17/24**

Council File No.	Item Description	Amount
Balance Available, 7/1/2024		\$ 330,583,261.63
Less: Emergency Reserve Account		<u>\$ 220,908,000.00</u>
Contingency Reserve Account 7/1/2024		\$ 109,675,261.63
 Loan Repayment and Other Receipts		<u>15,458,383.19</u>
Contingency Reserve Account		\$ 125,133,644.82
Loans and Transfers Approved to Date		
24-0500	Consolidated Plan Grants Loan	(10,000,000.00)
24-1060	Liability Claims	(23,241,426.00)
Loans and Transfers Approved to Date Subtotal		\$ (33,241,426.00)
Contingency Reserve Available Balance as of 10/17/2024		<u><u>\$ 91,892,218.82</u></u>
Total Emergency and Contingency Reserve Fund		<u><u>\$ 312,800,218.82</u></u>

ATTACHMENT 2A
SCHEDULE OF REVERSIONS TO RESERVE AND OTHER FUNDS
FYE JUNE 30, 2024

Dept No.	Department Name	Balance	Reversion to Other Special Funds	Reversion to Reserve Fund
02	Aging	1,372,408.98	201,535.41	1,170,873.57
06	Animal Services	1,657,883.34	160,960.73	1,496,922.61
08	Building and Safety	23,481,837.17	23,261,447.40	220,389.77
10	City Administrative Officer	10,077,256.58	321,083.89	9,756,172.69
11	Public Accountability	2,893,125.05	0.00	2,893,125.05
12	City Attorney	633,963.93	346,618.34	287,345.59
13	Cannabis Regulation	1,174,737.69	1,143,029.31	31,708.38
14	City Clerk	16,995,781.16	0.00	16,995,781.16
15	Civil, Human Rights and Equity	1,074,046.16	0.00	1,074,046.16
17	City Ethics	144,148.97	144,148.97	0.00
19	Youth Development	755,355.19	0.00	755,355.19
21	Community Investment for Families	2,926,856.29	607,925.00	2,318,931.29
22	Economic and Workforce	3,066,624.61	39,249.81	3,027,374.80
26	Controller	1,963,281.44	169,445.12	1,793,836.32
28	Council	15,759,471.67	1,021.05	15,758,450.62
30	Cultural Affairs	4,706,739.38	4,427,572.74	279,166.64
32	Information Technology Agency	19,438,499.69	627,333.32	18,811,166.37
33	El Pueblo	213,492.45	213,419.65	72.80
35	Emergency Management	196,432.65	0.00	196,432.65
36	Employee Relations	30,597.99	0.00	30,597.99
38	Fire	10,132,970.91	903,364.06	9,229,606.85
39	Finance	2,452,209.14	1,137.65	2,451,071.49
40	General Services	73,060,539.58	33,551,693.06	39,508,846.52
43	Housing	1,276,468.50	668,203.27	608,265.23
46	Mayor	16,007,990.65	419,095.67	15,588,894.98
47	Neighborhood Empowerment	510,382.60	494,882.60	15,500.00
48	City Tourism	51,298.21	51,298.21	0.00
53	Capital Finance	660,636.03	2.53	660,633.50
54	Capital Improvement	107,361,839.45	7,536,277.81	99,825,561.64
56	General City Purposes	171,605,903.73	2,301,981.57	169,303,922.16
58	Unappropriated Balance	71,319,829.92	0.00	71,319,829.92
59	Liability Claims	1,100,463.46	0.00	1,100,463.46
60	Water and Electricity	0.00	0.00	0.00
61	Human Resources	1,134,698.20	0.00	1,134,698.20
62	General	0.00	0.00	0.00
63	Leasing	10,189,203.20	0.00	10,189,203.20
65	Disability	955,779.83	0.00	955,779.83
66	Personnel	3,777,790.55	1,242,502.44	2,535,288.11
68	City Planning	4,845,031.96	4,260,562.30	584,469.66
70	Police	30,406,331.92	1,095,528.40	29,310,803.52
74	PW Board Office	9,851,091.05	9,311,165.03	539,926.02
76	PW Bu of Contract Admin	8,651,522.99	5,486,333.89	3,165,189.10
78	PW Bu of Engineering	2,984,364.63	868,257.64	2,116,106.99
82	PW Bu of Sanitation	28,056,762.02	22,026,598.32	6,030,163.70
84	PW Bu of St Lighting	10,445,781.43	10,094,076.75	351,704.68
86	PW Bu of St Services	12,445,320.55	11,875,066.81	570,253.74
87	Zoo	1,791,722.76	1,791,722.76	0.00
94	Transportation	15,394,448.98	11,654,989.25	3,739,459.73
Total		705,032,922.64	157,299,530.76	547,733,391.88

Total 2023-24 Reserve Fund Year-End Reversion	547,733,391.88
2023-24 Reserve Fund Reversion Estimated in the 2024-25 Budget	445,989,596.00
Difference between Actual and Estimated Reversion	101,743,795.88

ATTACHMENT 3
FY 2024-25 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM	AMOUNT	FUND/ACCOUNT	TRANSFER TO	AMOUNT
American Rescue Plan Act <i>ARPA Administration Consultant Support</i>	<u>Fund 64M/10, American Rescue Plan Act Fund</u> Cash Balance		\$ 4,804.00	<u>Fund 100/10, City Administrative Officer (64M/10, 10Y110)</u> 003040, Contractual Services		\$ 4,804.00
Cultural Affairs <i>Prior-Year Reappropriation</i>	<u>Fund 480/30, Arts and Cultural Facilities and Services</u> 30Y130, Cultural Affairs		\$ 824,450.00	<u>Fund 100/30, Cultural Affairs</u> 009871, Youth and Creative Workers Mural Program		\$ 824,450.00
El Pueblo <i>Key Card Project Shortfall</i>	<u>Fund 737/33, El Pueblo de Los Angeles</u> Cash Balance		\$ 18,000.00	<u>Fund 100/33, El Pueblo (737/33/33133A)</u> 003040, Contractual Services		\$ 18,000.00
Public Works - Sanitation <i>Clean Cities Fall Travel</i>	<u>Fund 537/50, Environmental Affairs Trust Fund</u> 50Y182, Bureau of Sanitation		\$ 2,000.00	<u>Fund 100/82, Bureau of Sanitation</u> 002130, Travel (EATF)		\$ 2,000.00
Transportation <i>Traffic Control Services Special Events Reimbursement</i>	<u>840/94, Department of Transportation Trust Fund</u> 94Y194, Transportation		\$ 3,116,930.65	<u>Fund 100/94, Transportation</u> 001090, Overtime General		\$ 3,116,930.65
<i>Magnolia/Tyrone Pedestrian Signal Crossing</i>	<u>Fund 43D/50 Street Furniture Revenue Fund</u> 50Y194, Transportation		\$ 9,815.70	<u>Fund 100/94, Transportation</u> 001090, Overtime General		\$ 9,815.70
<i>CD4 Barham/Lake Hollywood Traffic Signal Upgrades</i>	<u>Fund 53P/28, State AB1290 City Fund</u> 28Y194, Transportation		\$ 28,000.00	<u>Fund 100/94, Transportation</u> 001090, Overtime General		\$ 28,000.00
TOTAL ALL DEPARTMENTS AND FUNDS			\$ 3,999,196.35			
				\$ 3,999,196.35		

ATTACHMENT 4
FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	FUND/ACCOUNT	TRANSFER FROM AMOUNT	FUND/ACCOUNT	TRANSFER TO AMOUNT
City Attorney	<u>Fund 100/12 City Attorney</u>		<u>Fund 100/12 City Attorney</u>	
<i>Overtime General Overspending</i>	001010, Salaries General	\$ 374,000.00	001090, Overtime General	\$ 374,000.00
<i>Contractual Services Overspending</i>	<u>Fund 100/12 City Attorney</u>		<u>Fund 100/12 City Attorney</u>	
	001010, Salaries General	\$ 250,000	003040, Contractual Services	\$ 250,000
Community Investment for Families	<u>Fund 100/21, Community Investment for Families</u>		<u>Fund 100/21, Community Investment for Families</u>	
<i>ServiceNow Software Costs</i>	003040, Contractual Services	\$ 25,000.00	006010, Office and Administrative	\$ 25,000.00
Council	<u>Fund 100/28, Council</u>		<u>Fund 100/28, Council</u>	
<i>Staffing and Expenses</i>	001010, Salaries General	\$ 3,155,000.00	001070, Salaries As-Needed	\$ 2,000,000.00
			002120, Printing and Binding	150,000.00
			002130, Travel	30,000.00
			006010, Office and Administrative	975,000.00
			Subtotal	\$ 3,155,000.00
Economic and Workforce Development	<u>Fund 100/22, Economic and Workforce Development</u>		<u>Fund 100/22, Economic and Workforce Development</u>	
<i>Departmental Overtime Needs</i>	001010, Salaries General (Fund 100)	\$ 75,000.00	001090, Overtime General	\$ 75,000.00
<i>ARPA Business Assistance Administration</i>	<u>Fund 64N/22, Economic and Workforce Development</u>		<u>Fund 551/22, Economic and Workforce Development</u>	
	22V815, Small Business Rental Assistance Program	\$ 650,000.00	22Y4AK, LA Regional Small Business Legal Audit Program	\$ 650,000.00
	<u>Fund 64N/22, Economic and Workforce Development</u>		<u>Fund 64N/22, Economic and Workforce Development</u>	
	22V815, Small Business Rental Assistance Program	\$ 343,437.00	22Y841, Sidewalk Vending Cart Program	\$ 343,437.00
	Subtotal	\$ 993,437.00	Subtotal	\$ 993,437.00
Finance	<u>Fund 100/39, Office of Finance</u>		<u>Fund 100/39, Office of Finance</u>	
<i>Mileage Reimbursement Costs</i>	001010, Salaries, General	\$ 100,000.00	003310, Transportation	\$100,000.00
Fire	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
<i>Public Safety Inspections and Workday Resolution</i>	001010, Salaries, General	1,000,000.00	001090, Overtime General	1,000,000.00
<i>Increased Workload and Staffing Reductions</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001010, Salaries, General	100,000.00	001070, Salaries, As-Needed	100,000.00
<i>Unfunded Contractual Obligations</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001010, Salaries, General	337,000.00	003040, Contractual Services	337,000.00
<i>2020-2023 GEMT Program Administration Fees</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001012, Salaries, Sworn	867,566.00	003040, Contractual Services	867,566.00
<i>Apparatus and Fireboat Repairs</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001012, Salaries, Sworn	4,000,000.00	003090, Field Equipment Expense	4,000,000.00
<i>UFLAC Wellness Reimbursement</i>	<u>Fund 100/38, Fire</u>		<u>Fund 100/38, Fire</u>	
	001012, Salaries, Sworn	250,000.00	006010, Office and Administrative	250,000.00
General City Purposes	<u>Fund 100/56, General City Purposes</u>		<u>Fund 100/56, General City Purposes</u>	
<i>Community Projects</i>	000708, Council District Community Services (CD-8)	\$ 242,500.00	000903, Council Community Projects	\$ 242,500.00
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 (FY2024 Costs)</i>	RCS 4904, Interest on Pooled Invest-Bond Fds	\$ 1,108,890.03	RSRC 5168, Reimbursement of Prior Year Salary	\$ 1,108,890.03
	<u>Fund 17G/10, GOB Series 2022-A (Taxable), Prop HHH Construction Fund</u>		<u>Fund 100/43, Housing Department</u>	
	RCS 4904, Interest on Pooled Invest-Bond Fds	\$ 488,466.51	RSRC 5331 Reimbursement of Prior Year Related Costs	\$ 488,466.51
Neighborhood Empowerment	<u>Fund 100/47, Neighborhood Empowerment (Fund 44B/47)</u>		<u>Fund 100/47, Neighborhood Empowerment (Fund 44B/47)</u>	
<i>Translation Services</i>	002120, Printing and Binding	\$ 5,000.00	003040, Contractual Services	\$ 36,000.00
	006010, Office and Administrative	31,000.00		
	Subtotal	\$ 36,000.00		

ATTACHMENT 4

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Police	<u>Fund 100/70, Police</u>		<u>Fund 100/70, Police</u>	
Replace Dust Collection Unit at Davis Training Facility	003010, Firearms, Ammunition, Others	\$ 115,000.00	007300, Furniture, Office, and Technical Equipment	\$ 115,000.00
Replace Turbine Pump at Davis Training Facility	<u>Fund 100/70, Police</u> 003040, Contractual Services	\$ 58,000.00	<u>Fund 100/70, Police</u> 007300, Furniture, Office, and Technical Equipment	\$ 58,000.00
Replace Toxicology Equipment for Forensic Science Division	<u>Fund 100/70, Police</u> 006010, Office and Administrative	\$ 99,000.00	<u>Fund 100/70, Police</u> 007300, Furniture, Office, and Technical Equipment	\$ 99,000.00
Public Works - Engineering	<u>Fund 100/78, Bureau of Engineering (761/50)</u>		<u>Fund 100/78, Bureau of Engineering (761/50)</u>	
<i>Salaries As-Needed</i>	001010, Salaries General	\$ 300,000.00	001070, Salaries, As-Needed	\$ 300,000.00
Public Works - Sanitation	<u>Fund 100/82, Bureau of Sanitation</u>		<u>Fund 100/82, Bureau of Sanitation</u>	
<i>SCM Hiring Hall Overspending</i>	001010, Salaries General (SCMO)	\$ 506,220.00	001100, Hiring Hall Salaries (SCMO) 001120, Benefits Hiring Hall (SCMO)	\$ 329,875.00 176,345.00
			Subtotal	\$ 506,220.00
Transportation	<u>Fund 100/94, Transportation (Fund 49C/94)</u>		<u>Fund 100/94, Transportation</u>	
<i>Overtime Overspending</i>	001010, Salaries General	\$ 36,521.00	001090, Overtime General	\$ 36,521.00
<i>Overtime Overspending</i>	<u>Fund 100/94, Transportation (Fund 59C/94)</u>		<u>Fund 100/94, Transportation</u>	
	001010, Salaries General	\$ 1,470,609.00	001090, Overtime General	\$ 1,470,609.00
<i>Overtime Overspending</i>	<u>Fund 100/94, Transportation (Fund 540/94)</u>		<u>Fund 100/94, Transportation</u>	
	001010, Salaries General	\$ 2,400,000.00	001090, Overtime General	\$ 2,400,000.00
<i>Overtime Overspending</i>	<u>Fund 100/94, Transportation (Fund 51Q/94)</u>		<u>Fund 100/94, Transportation</u>	
	001010, Salaries General	\$ 800,000.00	001090, Overtime General	\$ 800,000.00
<i>Software licensing fees</i>	<u>Fund 100/94, Transportation</u>		<u>Fund 100/94, Transportation</u>	
	003040, Contractual Services	\$ 175,000.00	006010, Office and Administrative Expense	\$ 175,000.00
<i>Radio & Equipment</i>	<u>Fund 100/94, Transportation (Fund 59C/94)</u>		<u>Fund 100/94, Transportation (Fund 59C/94/94A194)</u>	
	001010, Salaries General	\$ 462,000.00	006010, Office & Administrative Expense	\$ 462,000.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 19,825,209.54		\$ 19,825,209.54

ATTACHMENT 5

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Cannabis Regulation <i>Social Equity Program</i>	<u>Fund 100/13, Cannabis Regulation</u> 003040, Contractual Services	\$ 1,000,000.00	<u>Fund 60E/13, Cannabis Regulation</u> 13A200, Social Equity Program	\$ 1,000,000.00
City Administrative Officer <i>Revenue Requirements Study for the City Street Lighting System</i>	<u>Fund 100/54, CTIEP</u> 00V701, Verde Street (2401) Remedial Slope Mitigation	\$ 74,200.00	<u>Fund 100/10, City Administrative Officer</u> 003040, Contractual Services	\$ 74,200.00
Community Investment for Families <i>CDBG Realignment</i>	<u>Fund 100/21, Community Investment for Families (424/21, 21A121)</u> 001010, Salaries General 006020, Operating Supplies	\$ 42,775.95 931.00	<u>Fund 100/21, Community Investment for Families (424/21, 21A121)</u> 001070, Salaries, As-Needed 001090, Overtime General 006010, Office and Administrative	\$ 41,275.95 1,500.00 931.00
	Subtotal	\$ 43,706.95	Subtotal	\$ 43,706.95
	<u>Fund 424/21, Community Development Trust Fund</u> 21A299, Reimbursement of General Fund Costs	\$ 28,724.05	<u>Fund 100/21, Community Investment for Families (424/21, 21A121)</u> 001070, Salaries, As-Needed	\$ 28,724.05
	Subtotal	\$ 72,431.00	Subtotal	\$ 72,431.00
Council <i>Council District 5 Staffing</i>	<u>Fund 100/56, General City Purposes Fund</u> 000619, Additional Homeless Services - CDs 000A28, Council Projects	\$ 600,000.00 400,000.00	<u>Fund 100/28, Council</u> 001070, Salaries As-Needed	\$ 1,000,000.00
	Subtotal	\$ 1,000,000.00		
<i>Council District 14 Staffing</i>	<u>Fund 53P/28, State AB 1290 City Fund</u> 281214, CD 14 Redevelopment Fund	\$ 350,000.00	<u>Fund 100/28, Council</u> 001070, Salaries, As-Needed	\$350,000.00
Economic and Workforce Development <i>Reappropriation of CleanLA Program Californians4All Grant Program</i>	<u>Fund 65N/22, Californians 4 All Youth Grant</u> 22Y174, Board of Public Works	\$ 4,951,721.98	<u>Fund 100/74, Board of Public Works</u> 001010, Salaries General 001070, Salaries As-Needed 003040, Contractual Services	\$ 86,000.00 18,000.00 4,847,721.98
			Subtotal	\$ 4,951,721.98
<i>Personnel Support Services to EWDD</i>	<u>Fund 100/22, Economic and Workforce Development</u> 001010, Salaries General (Fund 100) 001010, Salaries General (Fund 424)	\$ 26,862.00 13,066.00	<u>Fund 100/66, Personnel Department</u> 001010, Salaries General	\$ 39,928.00
	Subtotal	\$ 39,928.00		
<i>American Rescue Plan Act (ARPA) Business Assistance LA Optimize and Legacy Business Recovery Programs Support</i>	<u>Fund 64N/22, ARPA Business Assistance Programs Fund</u> 22V122, Economic and Workforce Development 22Y122, Economic and Workforce Development	\$ 41,207.46 317,741.17	<u>Fund 100/22, Economic and Workforce Development (64N/22/22A122 - NEW)</u> 001010, Salaries General 001070, Salaries As Needed 001090, Overtime General 002120, Printing and Binding 002130, Travel 003040, Contractual Services 003340, Transportation 003340, Water and Electricity 006010, Office and Admin 006020, Operating Supplies 006030, Leasing	\$ 222,851.00 1,748.00 75,093.00 2,525.00 52.00 30,045.00 5.00 - 8,981.00 5.00 17,643.63
	Subtotal	\$ 358,948.63	Subtotal	\$ 358,948.63
	<u>Fund 64N/22, ARPA Business Assistance Programs Fund</u> 22V299, Reimbursement of General Fund Costs 22Y299, Reimbursement of General Fund Costs	\$ 115,653.00 9,892.00	<u>Fund 64N/22, ARPA Business Assistance Programs</u> 22A299, Reimbursement of General Fund Cost	\$ 125,545.00
	Subtotal	\$ 125,545.00		
	<u>Fund 64N/22, ARPA Business Assistance Programs Fund</u> 22V166, Personnel	\$ 4,494.00	<u>Fund 100/66, Economic and Workforce Development (64N/22/22A166 - NEW)</u> 001010, Salaries General	\$ 4,494.00
	Subtotal	\$ 488,987.63	Subtotal	\$ 488,987.63
Fire <i>ITA Installation Work at Supply & Maintenance Division</i>	<u>Fund 100/38, Fire</u> 006020, Operating Supplies	\$ 270,000.00	<u>Fund 100/32, Information Technology Agency</u> 009350, Communication Services	\$ 270,000.00
<i>CUPA Section Office Reconfiguration</i>	<u>Fund 41L/38, Unified Program Trust Fund</u> 38K201, CUPA AEO Penalties	\$ 222,611.00	<u>Fund 100/40, General Services</u> 001101, Hiring Hall Construction 001121, Benefits Hiring Hall Construction 003180, Construction Materials	\$ 128,059.00 54,882.00 39,670.00
			Subtotal	\$ 222,611.00

ATTACHMENT 5
FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	TRANSFER FROM	FUND/ACCOUNT	AMOUNT	TRANSFER TO
Housing	<u>Fund 100/43, Housing</u>			<u>Fund 100/43, Housing</u>		
Department Wide Part Time Support Staff	001010, Salaries, General (440/43)	\$ 79,865.00		001070, Salaries, As Needed (440/43)	\$ 79,865.00	
	001010, Salaries, General (815/43)	23,045.00		001070, Salaries, As Needed (815/43)	23,045.00	
	001010, Salaries, General (10D/43)	14,984.00		001070, Salaries, As Needed (10D/43)	14,984.00	
	001010, Salaries, General (56V/43)	1,132.00		001070, Salaries, As Needed (56V/43)	1,132.00	
	001010, Salaries, General (59T/43)	2,544.00		001070, Salaries, As Needed (59T/43)	2,544.00	
	001010, Salaries, General (64R/43)	12,435.00		001070, Salaries, As Needed (64R/43)	12,435.00	
	001010, Salaries, General (66M/43)	42,738.00		001070, Salaries, As Needed (66M/43)	42,738.00	
	Subtotal	<u>\$ 176,743.00</u>		Subtotal	<u>\$ 176,743.00</u>	
	<u>Fund 440/43, Rent Stabilization Trust Fund</u>			<u>Fund 440/43, Rent Stabilization Trust Fund (440/43, 43A143)</u>		
	43A299, Reimbursement of General Fund Costs	\$ 42,840.00		001070, Salaries, As Needed	\$ 42,840.00	
	<u>Fund 815/43, Municipal Housing Finance Fund</u>			<u>Fund 815/43, Municipal Housing Finance Fund (815/43, 43A143)</u>		
	43A299, Reimbursement of General Fund Costs	\$ 9,308.00		001070, Salaries, As Needed	\$ 9,308.00	
	<u>Fund 10D/43, Accessible Housing Fund</u>			<u>Fund 10D/43, Accessible Housing Fund (10D/43, 43A143)</u>		
	43A299, Reimbursement of General Fund Costs	\$ 6,052.00		001070, Salaries, As Needed	\$ 6,052.00	
	<u>Fund 56V/43, Foreclosure Registry Program Fund</u>			<u>Fund 56V/43, Foreclosure Registry Program Fund (56V/43, 43A143)</u>		
	43A299, Reimbursement of General Fund Costs	\$ 607.00		001070, Salaries, As Needed	\$ 607.00	
	<u>Fund 59T/43, Housing Impact Trust Fund</u>			<u>Fund 59T/43, Housing Impact Trust Fund (59T/43, 43A143)</u>		
	43A299, Reimbursement of General Fund Costs	\$ 1,027.00		001070, Salaries, As Needed	\$ 1,027.00	
	<u>Fund 64R/43, SB 2 Permanent Local Housing Allocation Fund</u>			<u>Fund 64R/43, SB 2 Permanent Local Housing Allocation Fund (64R/43, 43A143)</u>		
	43A299, Reimbursement of General Fund Costs	\$ 5,022.00		001070, Salaries, As Needed	\$ 5,022.00	
	<u>Fund 66M/43, House LA Fund</u>			<u>Fund 66M/43, House LA Fund (66M/43, 43A143)</u>		
	43A299, Reimbursement of General Fund Costs	\$ 17,262.00		001070, Salaries, As Needed	\$ 17,262.00	
	Subtotal	<u>\$ 435,604.00</u>		Subtotal	<u>\$ 82,118.00</u>	
AChP Technical Expertise Contract	<u>Fund 100/43, Housing</u>			<u>Fund 100/43, Housing</u>		
	001010, Salaries, General (10D/43)	\$ 14,246.00		003040, Contractual Service (10D/43)	\$ 14,246.00	
	<u>Fund 10D/43, Accessible Housing Fund</u>			<u>Fund 100/43, Housing (10D/43, 43A143)</u>		
	43A299, Reimbursement of General Fund Costs	\$ 5,754.00		003040, Contractual Services	\$ 5,754.00	
	Subtotal	<u>\$ 20,000.00</u>		Subtotal	<u>\$ 20,000.00</u>	
ULA Administrative Expenses	<u>Fund 100/43, Housing</u>			<u>Fund 100/43, Housing</u>		
	001010, Salaries, General (66M/43)	\$ 53,423.00		006010, Office and Administrative (66M/43)	\$ 53,423.00	
	<u>Fund 66M/43, House LA Fund</u>			<u>Fund 100/43, Housing (66M/43, 43A143)</u>		
	43A299, Reimbursement of General Fund Costs	\$ 21,577.00		006010, Office and Administrative	\$ 21,577.00	
	Subtotal	<u>\$ 75,000.00</u>		Subtotal	<u>\$ 75,000.00</u>	
Rent and Code Billing Season Mailers	<u>Fund 100/43, Housing</u>			<u>Fund 100/43, Housing</u>		
	001010, Salaries, General (41M/43)	\$ 60,381.00		002120, Printing and Binding (41M/43)	\$ 60,381.00	
	001010, Salaries, General (440/43)	12,124.00		002120, Printing and Binding (440/43)	12,124.00	
	Subtotal	<u>\$ 72,505.00</u>		Subtotal	<u>\$ 72,505.00</u>	
	<u>Fund 41M/43, Systemic Code Enforcement Fund</u>			<u>Fund 41M/43, Systemic Code Enforcement Fund (41M/43, 43A143)</u>		
	43A299, Reimbursement of General Fund Costs	\$ 32,389.00		002120, Printing and Binding	\$ 32,389.00	
	<u>Fund 440/43, Rent Stabilization Trust Fund</u>			<u>Fund 440/43, Rent Stabilization Trust Fund (440/43, 43A143)</u>		
	43A299, Reimbursement of General Fund Costs	\$ 6,503.00		002120, Printing and Binding	\$ 6,503.00	
	Subtotal	<u>\$ 111,397.00</u>		Subtotal	<u>\$ 111,397.00</u>	
BuildLA IT Project	<u>Fund, 58V/08, Development Services Trust Fund</u>			<u>Fund, 100/43, Los Angeles Housing Department</u>		
	08Y543, BuildLA IT Project - LAHD	\$ 300,000.00		003040, Contractual Services	\$ 300,000.00	
Information Technology Agency	<u>Fund 100/32, Information Technology Agency</u>			<u>Fund 508/82, Pubic Works - Sanitation</u>		
Customer Relations Management System Project	003040, Contractual Services	\$ 90,245.00		RSC 5301, Reimbursements from Other Funds	\$ 90,245.00	
Library	<u>Fund 424/21, Community Development Trust Fund</u>			<u>Fund 300/44, Library Fund (424/21, 21A300)</u>		
Covid-19 Tech2Go Hotspot Program	21Y300, Library	\$ 622,350.00		006010, Office and Administrative	\$ 622,350.00	
Alterations and Improvements	<u>Fund 300/44, Library Fund</u>			<u>Fund 100/40, General Services</u>		
	002120, Printing and Binding	\$ 50,640.00		001014, Salaries, Construction Projects	\$ 1,830,081.80	
	003040, Contractual Services	4,525,413.08		003180, Construction Materials	2,745,971.28	
	Subtotal	<u>\$ 4,576,053.08</u>		Subtotal	<u>\$ 4,576,053.08</u>	

ATTACHMENT 5

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Mayor <i>CalVIP Cohort IV</i>	Fund 66P/46, 22-23 CalVIP Cohort IV Grant Fund		Fund 100/46, Mayor (66P/46, 46Y299)	
	46W299, Reimbursement of General Fund Costs	\$ 112,137.94	RSRC 5331, Reimbursement of Related Cost - Prior Year	\$ 47,878.35
			Fund 100/46, Mayor (66P/46, 46A299)	
			RSRC 5346, Related Costs Reimbursement from Grants	64,259.59
			Subtotal	\$ 112,137.94
<i>Proposition 47</i>	Fund 66V/46, 2020 Proposition 47 Board of State and Community Corrections		Fund 100/46, Mayor (66V/46, 46Y299)	
	46W299, Reimbursement of General Fund Costs	\$ 80,124.48	RSRC 5331, Reimbursement of Related Cost - Prior Year	\$ 56,320.65
			Fund 100/46, Mayor (66V/46, 46A299)	
			RSRC 5346, Related Costs Reimbursement from Grants	23,803.83
			Subtotal	\$ 80,124.48
<i>Byrne Discretionary Grant</i>	Fund 67J/46, FY2020 Byrne Discretionary Fund		Fund 100/46, Mayor (67J/46, 46A299)	
	46Y299, Reimbursement of General Fund Costs	\$ 17,044.03	RSRC 5346, Related Costs Reimbursement from Grants	\$ 17,044.03
Police 2023 Cannabis Tax Fund - Toxicology 70Y566 (C.F. 23-0909)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70Y170, Police	\$ 8,448.66	001090, Overtime General	\$ 8,448.66
	70Y299, Reimbursement of General Fund Costs	419.61		
	Subtotal	\$ 8,868.27	Fund 339/70, Police Dept Grant Fund	
			70A299, Related Costs	419.61
			Subtotal	\$ 8,868.27
2022 Coverdell Forensic Science 70W40A (C.F. 22-1482)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70Y170, Police	\$ 13,971.60	001090, Overtime General	\$ 13,971.60
2021 Internet Crimes Against Children - OJJDP 70V416 (C.F. 22-0110)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70Y170, Police	\$ 98,355.25	001092, Overtime Sworn	\$ 67,670.01
	70W299, Reimbursement of General Fund Costs	7,439.93	001090, Overtime General	30,685.24
	Subtotal	\$ 105,795.18	Fund 339/70, Police Dept Grant Fund	
			70A299, Reimbursement of General Fund Costs	7,439.93
			Subtotal	\$ 105,795.18
2023 Internet Crimes Against Children - (CalOES) 70Y559 (C.F. 24-0431)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70Y170, Police	\$ 132,496.00	001090, Overtime General	\$ 12,496.00
			001092, Overtime Sworn	120,000.00
	Fund 339/70, Police Dept Grant Fund		Fund 339/70, Police Dept Grant Fund	
	70Y299, Reimbursement of General Fund Costs	11,955.00	70A299, Reimbursement of General Fund Costs	11,955.00
	Subtotal	\$ 144,451.00	Subtotal	\$ 144,451.00
2022 Body-Worn Camera - Digital Evidence Management 70W409 (C.F. 22-1481-S1)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70Y170, Police	\$ 211,549.35	001090, Overtime General	\$ 98,982.50
	70Y299, Reimbursement of General Fund Costs	15,052.10	001092, Overtime Sworn	112,621.41
	Subtotal	\$ 226,601.45	Fund 339/70, Police Dept Grant Fund	
			70A299, Reimbursement of General Fund Costs	14,997.54
			Subtotal	\$ 226,601.45
2022 Body-Worn Camera - Training 70W577 (C.F. 22-1481)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70Y170, Police	\$ 149,452.52	001090, Overtime General	\$ 48,457.00
			001092, Overtime Sworn	100,995.52
	Subtotal	\$ 149,452.52	Subtotal	\$ 149,452.52
2022 Prosecuting Cold Cases 70W528 (C.F. 22-1479)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70Y170, Police	\$ 147,717.26	001090, Overtime General	\$ 49,586.01
			001092, Overtime Sworn	98,131.25
	Subtotal	\$ 147,717.26	Subtotal	\$ 147,717.26
2021 Connect and Protect for Law Enforcement 70W573 (C.F. 22-0282)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70Y170, Police	\$ 191,561.30	001090, Overtime General	\$ 18,999.00
			001092, Overtime Sworn	172,562.30
	Subtotal	\$ 191,561.30	Subtotal	\$ 191,561.30
2021 CPD De-escalation Training 70V568 (C.F. 21-1292)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70Y170, Police	\$ 4,217.05	001092, Overtime Sworn	\$ 4,217.05
2022 CPD De-escalation Training 70W568 (C.F. 22-1484)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police Department	
	70Y170, Police	\$ 70,866.29	001092, Overtime Sworn	\$ 70,866.29

ATTACHMENT 5

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	TRANSFER FROM		TRANSFER TO	
	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Police (continued) 23 CPD De-escalation Training 70Y568 (C.F. 23-1335)	<u>Fund 339/70, Police Dept Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70Y170, Police	\$ 26,620.06	001092, Overtime Sworn	\$ 26,620.06
	70Y299, Reimbursement of General Fund Costs	5,806.00		
	Subtotal	\$ 32,426.06	<u>Fund 339/70, Police Dept Grant Fund</u>	
			70A299, Reimbursement of General Fund Costs	5,806.00
			Subtotal	\$ 32,426.06
2021 Collaborative Crisis Response Training 70V571 (C.F. 22-0057)	<u>Fund 339/70, Police Dept Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70Y170, Police	\$ 82,315.13	001092, Overtime Sworn	\$ 64,958.13
	70Y299, Reimbursement of General Fund Costs	2,420.71		
	70W299, Reimbursement of General Fund Costs	5,349.86		
	Subtotal	\$ 90,085.70	<u>Fund 339/70, Police Dept Grant Fund</u>	
			70A299, Reimbursement of General Fund Costs	6,132.57
			70V571, 2021 Collaborative Crisis Response Training Grant Program	18,995.00
			Subtotal	\$ 90,085.70
2021 Comprehensive Youth Violence Prevention and Reduction Program 70V569 (C.F. 22-0059)	<u>Fund 339/70, Police Dept Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70Y170, Police	\$ 21,729.79	001090, Overtime General	\$ 21,729.79
2022 Firearm Relinquishment Grant 70Y581 (C.F. 23-0749)	<u>Fund 339/70, Police Dept Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70Y170, Police	\$ 452,107.98	001092, Overtime Sworn	\$ 461,156.61
	70Y299, Reimbursement of General Fund Costs	52,581.81		
	Subtotal	\$ 504,689.79	<u>Fund 339/70, Police Dept Grant Fund</u>	
			70A299, Reimbursement of General Fund Costs	43,533.18
			Subtotal	\$ 504,689.79
2021 Hate Crime 70W574 (C.F. 22-0417)	<u>Fund 339/70, Police Dept Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70Y170, Police	\$ 231,697.51	001090, Overtime General	\$ 49,947.62
	70Y299, Reimbursement of General Fund Costs	18,964.33	001092, Overtime Sworn	181,749.89
	Subtotal	\$ 250,661.84	<u>Fund 339/70, Police Dept Grant Fund</u>	
			70A299, Reimbursement of General Fund Costs	18,964.33
			Subtotal	\$ 250,661.84
2024 Off-Highway Motor Vehicle Recreation Grant Program Education and Safety, 70Y56E (C.F. 24-0016)	<u>Fund 339/70, Police Dept Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70Y170, Police	\$ 89,734.39	001092, Overtime Sworn	\$ 89,734.39
	70Y299, Reimbursement of General Fund Costs	10,265.61		
	Subtotal	\$ 100,000.00	<u>Fund 339/70, Police Dept Grant Fund</u>	
			70A299, Reimbursement of General Fund Costs	10,265.61
			Subtotal	\$ 100,000.00
2024 Off-Highway Motor Vehicle Recreation Grant Program Law Enforcement 70Y560 (C.F. 24-0017)	<u>Fund 339/70, Police Dept Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70Y170, Police	\$ 28,097.59	001092, Overtime Sworn	\$ 28,097.59
	70Y299, Reimbursement of General Fund Costs	2,652.41		
	Subtotal	\$ 30,750.00	<u>Fund 339/70, Police Dept Grant Fund</u>	
			70A299, Reimbursement of General Fund Costs	2,652.41
			Subtotal	\$ 30,750.00
BSCC Organized Retail Theft 70Y582 (C.F. 24-0018)	<u>Fund 339/70, Police Dept Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70Y170, Police	\$ 243,143.73	001092, Overtime Sworn	\$ 243,143.73
	70Y299, Reimbursement of General Fund Costs	22,952.77		
	Subtotal	\$ 266,096.50	<u>Fund 339/70, Police Dept Grant Fund</u>	
			70A299, Reimbursement of General Fund Costs	22,952.77
			Subtotal	\$ 266,096.50
2021 Project Safe Neighborhood 70W564 (C.F. 22-1188)	<u>Fund 339/70, Police Dept Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70Y299, Reimbursement of General Fund Costs	\$ 24,421.45	001092, Overtime Sworn	\$ 22,314.92
			<u>Fund 339/70, Police Dept Grant Fund</u>	
			70A299, Reimbursement of General Fund Costs	2,106.53
			Subtotal	\$ 24,421.45
2022 Project Safe Neighborhood 70Y564 (C.F. 24-0019)	<u>Fund 339/70, Police Dept Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
	70Y170, Police	\$ 93,846.00	001092, Overtime Sworn	\$ 93,846.00
	70Y299, Reimbursement of General Fund Costs	8,859.00		
	Subtotal	\$ 102,705.00	<u>Fund 339/70, Police Dept Grant Fund</u>	
			70A299, Reimbursement of General Fund Costs	8,859.00
			Subtotal	\$ 102,705.00

ATTACHMENT 5

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
TRANSFER FROM			TRANSFER TO	
Police (continued)	<u>Fund 339/70, Police Dept Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
2024 Regional Threat Assessment Center Program	70Y170, Police	\$ 37,782.92	001092, Overtime Sworn	\$ 37,782.92
70Y563 (C.F. 21-0460-S3)	70Y299, Reimbursement of General Fund Costs	3,566.60		
	Subtotal	\$ 41,349.52	<u>Fund 339/70, Police Dept Grant Fund</u>	
			70A299, Reimbursement of General Fund Costs	3,566.60
			Subtotal	\$ 41,349.52
2023 Selective Traffic Enforcement Grant	<u>Fund 339/70, Police Dept Grant Fund</u>		<u>Fund 100/70, Police Department</u>	
70Y527 (C.F. 23-1234)	70Y170, Police	\$ 423,618.15	001090, Overtime General	\$ 4,712.11
	70Y299, Reimbursement of General Fund Costs	120,031.07	001092, Overtime Sworn	418,906.04
	Subtotal	\$ 543,649.22	<u>Fund 339/70, Police Dept Grant Fund</u>	
			70A299, Reimbursement of General Fund Costs	120,031.07
			Subtotal	\$ 543,649.22
<i>Workday Assistance for Workday assist and troubleshooting</i>	<u>Fund 100/70, Police</u>		<u>Fund 100/32, Information Technology Agency</u>	
	003040, Contractual Services	\$ 348,000.00	003040, Contractual Services	\$ 348,000.00
<i>Overtime Sworn Reimbursement - Summer Night Lights Program</i>	<u>Fund 302/88, Recreation and Parks</u>		<u>Fund 100/70, Police Department</u>	
	TBD	\$ 1,027,713.00	001092, Overtime Sworn	\$ 1,027,713.00
Public Works - Board	<u>Fund 62E/22, Mayor's Fund for Los Angeles Fund</u>		<u>Fund 100/74, Board of Public Works</u>	
<i>Reappropriation of Workforce Equity Demonstration</i>	22Y174, Board of Public Works	\$ 67,000.00	001010, Salaries General	\$ 67,000.00
<i>Reappropriation of CD7 Beautification Funds</i>	<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
<i>Reappropriation of BID Trash Can Liners</i>	<u>Fund 659/14, BID Trust Fund</u>		<u>Fund 100/74, Board of Public Works</u>	
	14Y174, BID General	\$ 150,000.00	006020, Operating Supplies	\$ 150,000.00
<i>Tree Guarantee Fee Planting Plan (C.F. 16-0461-S1)</i>	<u>Fund 834/50 Public Works Trust Fund</u>		<u>Fund 100/86, Bureau of Street Services</u>	
	574220, St. Tree Replacement Guarantee (in-lieu) fee - PW Subsidy	\$ 1,960.00	001090, Overtime General	\$ 1,432.00
			006020, Operating Supplies	528.00
			Subtotal	\$ 1,960.00
	<u>Fund 834/50 Public Works Trust Fund</u>		<u>Fund 100/86, Bureau of Street Services</u>	
	574221, St. Tree Replacement Guarantee (in-lieu) fee - PW No Subsidy	\$ 265,450.00	001090, Overtime General	\$ 185,754.00
			003040, Contractual Services	40,112.00
			006020, Operating Supplies	39,584.00
			Subtotal	\$ 265,450.00
Public Works - Sanitation	<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>		<u>Fund 100/78, Bureau of Engineering</u>	
<i>North Central/East Valley Yards Topographic Survey</i>	50WX82, PW-Sanitation Expense and Equipment	\$ 153,350.00	001010, Salaries General (SWRF)	\$ 153,350.00
<i>SPA Interest Loan Repayment</i>	<u>Fund 511/50, Stormwater Pollution Abatement Fund</u>		<u>Fund 760/50, Sewer Operations and Maintenance Fund</u>	
	50YS64, Payment for Sewer Construction Maintenance Fund Loan	\$ 104,647.19	RSC 4903, Interest Income - Other	\$ 104,647.19
<i>ITA Security Camera Install</i>	<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>		<u>Fund 100/32, Information Technology Agency</u>	
	50AX82, PW-Sanitation Expense and Equipment	\$ 161,500.00	009350, Communication Services (SWRRF 508/50)	\$ 161,500.00
	<u>Fund 100/82, Bureau of Sanitation</u>		<u>Fund 100/32, Information Technology Agency</u>	
	001010, Salaries General (GF)	\$ 285,500.00	009350, Communication Services (GF)	\$ 285,500.00
	Subtotal	\$ 447,000.00	Subtotal	\$ 447,000.00
<i>Annual Fiber Service Lease</i>	<u>Fund 760/50, Sewer Operations and Maintenance Fund</u>		<u>Fund 100/32, Information Technology Agency</u>	
	50AX82, PW-Sanitation Expense and Equipment	\$ 73,046.40	003040, Contractual Services (SCMO 760/50)	\$ 73,046.40
	<u>Fund 508/50, Solid Waste Resources Revenue Fund</u>		009350, Communication Services (SWRRF 508/50)	\$ 73,046.40
	50AX82, PW-Sanitation Expense and Equipment	\$ 73,046.40	Subtotal	\$ 146,092.80
	Subtotal	\$ 146,092.80		
Public Works - Street Lighting	<u>Fund 100/84, PW-Street Lighting (347/50, 50A184)</u>		<u>Fund 100/40, General Services (347/50, 50A140)</u>	
<i>Raymer Street Security Services</i>	003040, Contractual Services	\$ 55,333.33	003040, Contractual Services	\$ 55,333.33
<i>Universal Broadband Services</i>	<u>Fund 65Q/50, Digital Inclusion</u>		<u>Fund 300/44, Library Fund</u>	
	50VUBS, Universal Broadband Services	\$ 150,000.00	003040, Contractual Services	\$ 150,000.00
<i>Digital Inclusion</i>	<u>Fund 100/54, CTIEP</u>		<u>Fund 300/44, Library Fund</u>	
	00V837, Digital Inclusion	\$ 150,000.00	006010, Office and Administrative	\$ 150,000.00

ATTACHMENT 5

**FY 2024-25 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS**

TRANSFER FROM		TRANSFER TO		
REQUESTING DEPARTMENT	FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
Public Work - Street Services	<u>Fund 59V/50, Road Maintenance And Rehabilitation Program Special Fund</u>		<u>Fund 100/86, Public Works-Street Services</u>	
<i>LA 2028 Olympics and Paralympics Games</i>	50AZCJ, LA 2028 Olympic and Paralympic Games Projects Implementation	\$ 500,000.00	001090, Overtime General	\$ 500,000.00
<i>Reimbursement for Special Events</i>	<u>Fund 64C/50, BSS Transaction Fund</u>		<u>Fund 100/86, Public Works-Street Services</u>	
	RSRC 465800, Special Events-General	\$ 5,919,450.46	RSRC 465800, Special Events-General	\$ 250,000.00
			<u>Fund 100/86, Public Works-Street Services</u>	
			001090, Overtime General	\$ 182,892.18
			<u>Fund 100/86, Public Works-Street Services</u>	
			003040, Contractual Services	\$ 50,000.00
			<u>Fund 100/94, Transportation</u>	
			001090, Overtime General	\$ 963,756.80
			<u>Fund 508/50, Solid Waste Resources Fund</u>	
			RSRC 518801, Miscellaneous Revenue-Others	\$ 51,160.18
			<u>Fund 48R/08, Bldg & Safety Permit Enterprise Fund</u>	
			RSRC 3225, Building Permits-Regular	\$ 1,049.40
			<u>Fund 100/38, Fire</u>	
			001012, Salaries Sworn	\$ 218,368.71
			<u>Fund 100/70, Police</u>	
			001092, Overtime Sworn	\$ 4,202,223.19
			Subtotal	\$ 5,919,450.46
Transportation	<u>Fund 100/94, Transportation</u>		<u>Fund 100/40, General Services</u>	
<i>Security Services Raymer St.</i>	003040, Contractual Services	\$ 129,333.00	003040, Contractual Services	\$ 129,333.00
<i>Roscoe Blvd Bus Lane Reimbursement to Measure M</i>	<u>Fund 59C.94, Measure M local Return Special Fund</u>		<u>Fund 59C.94, Measure M local Return Special Fund</u>	
	Cash	\$ 385,000.00	94RV46, Metro Rail Annual Work Program	\$ 385,000.00
<i>ARPA Management & Consulting Services</i>	<u>840/94, Department of Transportation Trust Fund</u>		<u>Fund 100/10, City Administrative Officer</u>	
	94WE40, LA Al Fresco Program	\$ 600,000.00	003040, Contractual Services	\$ 600,000.00
TOTAL ALL DEPARTMENTS AND FUNDS		\$ 28,734,550.71		\$ 28,734,550.71

ATTACHMENT 6

**FY 2024-25 BUDGET ADJUSTMENTS
APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE**

APPROPRIATE FROM:	APPROPRIATE TO:	AMOUNT
<u>Fund, 100/58, Unappropriated Balance</u>		
580431, Election Expenses - General Municipal Elections	<u>Fund 100/14, City Clerk</u> 004170, Elections	\$ 856,993.00
580304, Ground Emergency Medical Transport QAF Program	<u>Fund 100/38, Fire</u> 003040, Contractual Services Account	\$ 6,107,240.00
<u>TOTAL APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE</u>		\$ 6,964,233.00

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

C.F.	Appropriations	Date	Amount
24-0600	General		\$ 50,000
	Approved Transfer		
		Balance Available	<u>50,000.00</u>
	Anticipated Appropriations		
		Projected Balance Available	<u>\$ 50,000.00</u>

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

2024-25 Budget	\$ 59,384,134.00
Interim Transfers	
Transfer Out:	
Transfer to Liability Claims - Miscellaneous Liability Payouts	(59,384,134.00)
	Subtotal \$ (59,384,134.00)
Year-end Available	<u><u>\$ -</u></u>

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

													Attachment 7C
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												
580265	Animal Sterilization Trust Fund	Animal Service	\$ 1,500,000										\$ 1,500,000.00
580345	City Charter Reform	City Clerk	\$ 500,000										\$ 500,000.00
580422	Citywide Recreational Vehicle Program	Police	\$ -	2,250,000	(2,000,000)								\$ 250,000.00
580420	CleanLA	PW Board	\$ 2,600,780	1,500,000									\$ 4,100,780.00
580383	Department Payroll Reconciliation	All	\$ 104,829,960										\$ 104,829,960.00
580434	Domestic Violence and Human Trafficking Shelter Operations	CIFD	\$ 2,000,000										\$ 2,000,000.00
580409	Elected Officials Transition Expenses	GSD	\$ 775,000										\$ 775,000.00
580431	Election Expenses - General Municipal Elections	City Clerk	\$ 9,000,000			(856,993)							\$ 8,143,007.00
580132	Equipment, Expense, and Alterations & Improv.	Mayor/Council	\$ 6,181,000	2,841,151									\$ 9,022,151.15
580438	Fire Positions Reserve	Fire	\$ 406,770										\$ 406,770.00
580231	Gang Injunction Settlement Agreement	EWDD	\$ -	2,500,000									\$ 2,500,000.00
580001	General (see Attachment 7A)	All	\$ 50,000										\$ 50,000.00
580304	Ground Emergency Medical Transport QAF Program	Fire	\$ 27,400,000		(6,158,101)	(6,107,240)							\$ 15,134,658.64
580381	LAHSA Homeless Engagement Teams	Housing	\$ 4,075,686	225,000	(225,000)								\$ 4,075,686.00
580433	LAHSA Homeless Outreach Navigators	Housing	\$ 629,583										\$ 629,583.00
580274	Mutual Aid Overtime	Fire	\$ 3,000,000		(3,000,000)								\$ -
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		(750,000)								\$ 2,500,000.00
580430	Quiet Zone Study	DOT	\$ -	500,000									\$ 500,000.00
580437	Rancho LPG Facility Amortization Study	PW Board	\$ 300,000										\$ 300,000.00
580384	Reserve for Allocation of FEMA Reimbursement	All	\$ 90,477,453										\$ 90,477,453.00
580232	Reserve for Extraordinary Liability	All	\$ 20,000,000		(20,000,000)								\$ -
580196	Reserve for Mid-Year Adjustments	All	\$ 59,384,134		(59,384,134)								\$ -
580425	Unarmed Crisis Response	CAO	\$ -	10,473,450									\$ 10,473,450.00
580436	Watts Cultural Crescent Planning	Planning	\$ 137,155										\$ 137,155.00
580396	Wildland Fuel Management Paid Crew	Fire	\$ 1,182,000	943,101	(1,274,222)								\$ 850,879.00
	Grand Total		\$ 338,453,935	\$ 21,232,702	\$ (92,791,457)	\$ (6,964,233)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,930,946.79

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
		(A1)	(A2)	(B)	(C = A2+B)	(D)	(E=C+D)	
		2024-25 City Budget	2024-25 Adjusted Budget	Amount	Amount	Amount	Amount	
FIRE	009790	\$ -	\$ 2,136,496	\$ (2,126,566)	\$ -	\$ (1,442,500)	\$ (11,232,570)	-6%
GENERAL SERVICES	009791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
POLICE	009792	\$ -	\$ 59,668,635	\$ (59,391,312)	\$ -	\$ (45,171,505)	\$ (95,699,882)	-50%
PW/ENGINEERING	009793	\$ -	\$ 850,586	\$ (846,633)	\$ -	\$ (1,490,000)	\$ (1,486,047)	-1%
PW/SANITATION SOLID	009794	\$ 2,000,000	\$ 2,000,000	\$ (889,988)	\$ 1,110,012	\$ (132,117)	\$ (1,720,106)	-1%
PW/SANITATION SEWER	009794	\$ 5,370,072	\$ 5,370,072	\$ (246,805)	\$ 5,123,267	\$ (1,299,598)	\$ 3,298,669	2%
PW/STREET SERVICES	009795	\$ -	\$ 6,138,530	\$ (6,110,000)	\$ -	\$ (11,475,825)	\$ (30,176,867)	-16%
RECREATION & PARKS	009796	\$ -	\$ 251,167	\$ (250,000)	\$ -	\$ (300,000)	\$ (623,833)	0%
TRANSPORTATION	009797	\$ -	\$ 5,626,149	\$ (5,600,000)	\$ -	\$ (8,700,000)	\$ (12,411,851)	-7%
MISCELLANEOUS	009798	\$ 80,000,000	\$ 107,953,997	\$ (21,519,428)	\$ 85,932,831	\$ (4,927,133)	\$ 59,939,419	32%
GENERAL FUND SUBTOTAL		\$ 80,000,000	\$ 182,625,560	\$ (95,843,939)	\$ 85,932,831	\$ (73,506,963)	\$ (91,691,631)	-50%
SPECIAL FUNDS SUBTOTAL		\$ 7,370,072	\$ 7,370,072	\$ (1,136,793)	\$ 6,233,279	\$ (1,431,715)	\$ 1,578,564	21%
TOTAL		\$ 87,370,072	\$ 189,995,632	\$ (96,980,733)	\$ 92,166,109	\$ (74,938,678)	\$ (90,113,068)	-47%

**ATTACHMENT 9
EMPLOYMENT LEVEL REPORT
FY 2024-25**

Department	2024-25 Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of August	Changes	End of August	Start of August	Changes	End of August		
Aging	47	51	-	51	45	(1)	44	7	-
Animal Services	328	378	-	378	329	-	329	49	-
Building and Safety	1,009	1,145	-	1,145	963	(9)	954	191	-
Cannabis Regulation	48	64	1	65	55	-	55	10	2
City Administrative Officer	164	196	-	196	182	1	183	13	9
City Attorney	876	1,069	-	1,069	989	(5)	984	85	24
City Clerk	115	130	-	130	113	1	114	16	2
City Planning	427	567	-	567	469	-	469	98	1
City Tourism	12	12	-	12	9	-	9	3	-
Civil, Human Rights and Equity	8	37	-	37	36	-	36	1	-
Community Investment for Families	76	106	-	106	94	-	94	12	-
Controller	140	171	-	171	148	-	148	23	10
Cultural Affairs	77	92	-	92	77	(2)	75	17	-
Disability	25	30	-	30	26	-	26	4	-
Economic & Workforce Development	79	171	-	171	126	(2)	124	47	-
El Pueblo	10	10	-	10	9	-	9	1	-
Emergency Management	28	31	-	31	29	-	29	2	-
Employee Relations Board	3	3	-	3	3	-	3	-	-
Ethics Commission	45	47	-	47	43	-	43	4	-
Finance	330	363	-	363	316	(1)	315	48	4
Fire - Civilian	357	438	-	438	337	3	340	98	36
Fire - Sworn	3,520	3,831	-	3,831	3,461	(11)	3,450	381	289
General Services	1,320	1,334	-	1,334	1,197	1	1,198	136	7
Housing	531	808	-	808	659	6	665	143	-
Information Technology Agency	381	393	-	393	347	(2)	345	48	-
Neighborhood Empowerment	35	38	-	38	36	-	36	2	-
Personnel	610	680	1	681	614	(7)	607	74	36
Police - Civilian	3,256	3,282	-	3,282	2,607	(3)	2,604	678	-
Police - Sworn	10,599	10,732	-	10,732	8,791	(11)	8,780	1,952	-
Public Accountability	9	9	-	9	2	(1)	1	8	-
PW/Board of Public Works	86	124	-	124	116	-	116	8	-
PW/Bureau of Contract Administration	281	389	-	389	345	(2)	343	46	1
PW/Bureau of Engineering	710	913	-	913	795	5	800	113	3
PW/Bureau of Sanitation	3,058	3,597	1	3,598	3,071	(20)	3,051	547	7
PW/Bureau of Street Lighting	188	342	-	342	317	(1)	316	26	4
PW/Bureau of Street Services	878	1,337	-	1,337	1,178	(1)	1,177	160	-
Transportation	1,374	1,721	-	1,721	1,524	-	1,524	197	3
Youth Development	10	22	-	22	18	(1)	17	5	1
Zoo	270	283	-	283	263	(3)	260	23	-
Subtotal	31,320	34,946	3	34,949	29,739	(66)	29,673	5,276	439
Library	1,298	1,298	-	1,298	1,193	(3)	1,190	108	-
Recreation and Parks	1,500	1,884	-	1,884	1,505	1	1,506	378	276
Subtotal	2,798	3,182	-	3,182	2,698	(2)	2,696	486	276
Total	34,118	38,128	3	38,131	32,437	(68)	32,369	5,762	715

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

Monthly Summary	2024-25 Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of Month	Changes	End of Month	Start of Month	Changes	End of Month		
July	34,118	38,096	32	38,128	32,414	23	32,437	5,691	712
August	34,118	38,128	3	38,131	32,437	(68)	32,369	5,762	715

2024-25 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK
(\$ millions)

	Adopted 2024-25	2025-26	2026-27	2027-28	2028-29
ESTIMATED GENERAL FUND REVENUE					
General Fund Base (1)	\$ 7,903.3	\$ 8,033.0	\$ 8,140.0	\$ 8,442.8	\$ 8,798.1
Revenue Growth (2)					
Property Related Taxes (3)	98.7	180.5	145.9	199.6	211.3
Business and Sales Taxes (4)	(43.3)	28.4	28.6	27.1	40.6
Utility Users Tax (5)	34.6	17.7	18.6	19.7	20.7
Departmental Receipts (6)	58.1	59.3	69.6	73.5	77.0
Other Fees, Taxes, and Transfers (7)	125.8	(170.8)	40.1	35.4	37.5
SPRF Transfer (8)	(7.8)	(8.1)	-	-	-
Transfer from the Budget Stabilization Fund (9)	-	-	-	-	-
Transfer from Reserve Fund (10)	(136.4)	-	-	-	-
Total Revenue	\$ 8,033.0	\$ 8,140.0	\$ 8,442.8	\$ 8,798.1	\$ 9,185.2
<i>General Fund Revenue Increase %</i>	<i>1.6%</i>	<i>1.3%</i>	<i>3.7%</i>	<i>4.2%</i>	<i>4.4%</i>
<i>General Fund Revenue Increase \$</i>	<i>129.7</i>	<i>107.0</i>	<i>302.8</i>	<i>355.3</i>	<i>387.1</i>
ESTIMATED GENERAL FUND EXPENDITURES					
General Fund Base (11)	\$ 7,903.3	\$ 8,033.0	\$ 8,201.1	\$ 8,641.4	\$ 8,872.9
Incremental Changes to Base: (12)					
Employee Compensation Adjustments (13)	259.6	323.1	199.5	127.3	37.6
City Employees' Retirement System (14)	30.2	72.9	67.5	55.8	14.0
Fire and Police Pensions (14)	22.8	(66.5)	31.3	14.6	6.6
Workers' Compensation Benefits (15)	14.3	12.9	10.5	11.3	12.5
Health, Dental, and Other Benefits (16)	39.5	26.8	29.2	26.9	28.1
Debt Service (17)	14.8	(1.7)	10.7	(12.2)	0.4
Delete Resolution Authorities (18)	(149.0)	-	-	-	-
Add New and Continued Resolution Authorities (18)	126.2	-	-	-	-
Delete One-Time Costs (19)	(28.0)	(15.1)	-	-	-
Add One-Time Costs (19)	20.9	-	-	-	-
Comprehensive Homeless Strategy (20)	(209.0)	(83.1)	-	-	-
Unappropriated Balance (21)	93.1	(195.8)	-	-	-
CTIEP-Municipal Facilities and Physical Plant (22)	(39.1)	13.7	1.3	(3.4)	2.4
CTIEP-Sidewalks (23)	(10.9)	6.9	-	5.5	-
CTIEP-Pavement Preservation (24)	(6.3)	30.5	3.2	3.3	3.4
Appropriation to the Reserve Fund (25)	37.8	(37.8)	-	-	-
Appropriation to the Budget Stabilization Fund (26)	-	-	-	-	-
Net - Other Additions and Deletions (27)	(87.2)	81.3	87.1	2.4	47.3
Total Expenditures	\$ 8,033.0	\$ 8,201.1	\$ 8,641.4	\$ 8,872.9	\$ 9,025.2
<i>Expenditure Growth %</i>	<i>1.6%</i>	<i>2.1%</i>	<i>5.4%</i>	<i>2.7%</i>	<i>1.7%</i>
<i>Expenditure Growth \$</i>	<i>129.7</i>	<i>168.1</i>	<i>440.3</i>	<i>231.5</i>	<i>152.3</i>
REVENUES OVER (BELOW) EXPENDITURES (28)	\$ -	\$ (61.1)	\$ (198.6)	\$ (74.8)	\$ 160.0
<i>Incremental Increase \$</i>	<i>-</i>	<i>(61.1)</i>	<i>(137.5)</i>	<i>123.8</i>	<i>234.8</i>

2024-25 ADOPTED BUDGET FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES

REVENUE:

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

(2) Total City revenue growth for outgoing years is estimated between 3.9 and 4.4 percent. Unless otherwise noted, individual revenue sources reflect continuing growth in fiscal years 2025-26 through 2028-29 based on historical average receipts. The amounts represent projected incremental change to the base. The revenue growth amounts deduct one-time receipts from the estimated revenue growth for the following fiscal year.

(3) Property Related Taxes include all property tax revenues, Documentary Transfer Tax, Residential Development Tax, and the redirection of ex-CRA tax increment monies. Assessed Value growth in property tax is projected at 4.75 percent for 2024-25 based on assumptions for the full two percent inflationary adjustment to secured receipts; average growth in unsecured and miscellaneous receipts; and decreasing supplemental receipts. The 2025-26 and outgoing years assume growth based on historical receipts.

Documentary Transfer is a volatile revenue in particular when sales volume and price move together. The 2024-25 revenue is based on real estate industry forecasts for slowing price declines and a muted recovery in sales activity. The 2025-26 and 2026-27 revenue estimates assume higher growth as real estate market both components recover. Outgoing years assume average growth.

The Residential Development Tax is correlated with building permit activity. The 2024-25 revenue assumes gradual improvement in receipts and is likely impacted by increased construction financing costs. Permitting activity is assumed to remain stable in outgoing years.

Ex-CRA tax increment revenue growth is irregular. The estimate for 2024-25 reflects the adopted payment schedule (ROPS) and assumptions based on prior disbursements. Additional one-time miscellaneous revenue from surplus property sales are included in the 2025-26 estimate. Growth in subsequent fiscal years align with property tax growth assumptions.

(4) Business tax estimates for 2024-25 is based on current trends for non-cannabis renewal activity. Receipts are assumed to be flat in outgoing years.

Sales tax revenue estimates reflect decreasing consumer demand under inflation, the Federal Reserve's action to increase interest rates, and extended labor actions, as well as the continuing shift of receipts to other jurisdictions. Growth is consistent with forecasts for taxable sales with average growth returning in 2028-29.

(5) Electricity users tax revenue is based on estimates provided by the Department of Water and Power. 2024-25 and outgoing years assume average growth.

Gas users tax estimate is based on the U.S. Energy Information Administration is forecast for increases to price and consumption. Below average growth is assumed for outgoing years due to price volatility.

The communication users tax revenue continues to decline with strategic wireless plan pricing and decreased landline use. The average decline is assumed for 2024-25 revenue and outgoing years.

(6) Departmental receipts inclusive of License, Permits, Fees, and Fines are reflect reduced reimbursements from special funds, proprietary departments, and the Los Angeles County Metropolitan Transportation Authority (LACMTA) and other fee and permit revenues. These lower receipts are partially offset by higher reimbursements for ambulance transports, state mandated claims and one-time reimbursements. State mandated, LACMTA reimbursements, emergency transport, one-time reimbursements are estimated to decline. Outgoing years assume average growth for ongoing receipts.

2024-25 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES

(7) Transient occupancy tax revenue from hotels and short-term rentals from 2023-24 through 2024-25 are based on the tourism industry forecast that reflects a modest growth due to a delay in the return of Chinese tourism. The industry forecast predicts increasing growth for 2026-27 and outgoing years.

Parking Occupancy tax receipts in 2024-25 reflect modest growth from 2023-24. 2025-26 and outgoing years assume historical growth.

The Power Revenue transfer amount for 2024-25 is based on the estimate included in the proposed budget for the Department of Water and Power, which is derived from assumptions for estimated 2022-23 Power System revenue. The final transfer amount may be adjusted to conform to actual 2023-24 power system revenue in accordance with audited financial statements. Outgoing years assume an average of amounts transferred since a transfer limit was established.

Grant revenue for 2023-24 is based on anticipated grant receipts and average growth is assumed for outgoing years. Additional receipts from the Federal Emergency Management Agency (FEMA) for reimbursement of pandemic-response costs are assumed through 2024-25.

(8) Revenue from the Special Parking Revenue Fund represents the projected surplus that may be available to transfer to the General Fund after accounting for debt service and other expenditures associated with the maintenance, upgrades, and repairs of parking structures, meters, and related assets. The annual base-level surplus is \$23.5 million. Any amounts above this are considered one-time receipts and deducted from the estimated revenue growth for the following fiscal year. The transfer in 2023-24 was budgeted at \$8.9 million above the base-level and the 2024-25 Budget assumes a \$1.1 million increase to the base-level surplus for transfer. Subsequent years assume the base transfer amount of \$16.5 million to reflect projections for lower surpluses.

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

(10) The Outlook does not assume any transfers from the Reserve Fund in 2024-25 or in subsequent years.

ESTIMATED GENERAL FUND EXPENDITURES:

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

(12) Incremental changes to the Base: The 2024-25 amount reflects funding adjustments to the prior fiscal year General Fund budget. The expenditures included for subsequent years represent major expenses known at this time and are subject to change.

(13) Employee Compensation Adjustments: The 2024-25 amount includes employee compensation adjustments consistent with existing and pending labor agreements, the deletion of one-time salary funding from the prior year, and all other required salary adjustments. Fiscal years 2025-26 through 2028-29 reflect restoration of one-time salary reductions from the prior year, full-funding for partially financed positions, and adjustments in existing labor agreements. The Outlook does not include projections for future compensation adjustments from future labor agreements, with the exception of an estimated cost for the sworn Fire agreement. It does, however, include a two percent annual increase to account for natural salary growth. Most current agreements for civilians expire in 2027-28 or 2028-29. The majority of agreements for sworn expire in 2023-24 or 2026-27.

(14) City Employees' Retirement System (LACERS) and Fire and Police Pensions (LAFPP): The contribution rates are based on information that the systems' actuary calculated and includes the employee compensation adjustment assumptions above. In 2023, the board of commissioners for LACERS and LAFPP adopted economic and demographic assumption changes, including reducing the inflation rate from 2.75 percent to 2.50 percent, reducing payroll growth from 3.25 percent to three percent, and maintaining the assumed investment rate of return at seven percent. The contribution rates below include the adopted assumption changes.

**2024-25 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES**

Assumptions	2024-25	2025-26	2026-27	2027-28	2028-29
LACERS					
6/30 th Investment Returns	7.00%	7.00%	7.00%	7.00%	7.00%
Combined Contribution Rate	33.29%	31.66%	32.37%	32.50%	32.21%
LAFPP					
6/30 th Investment Returns	7.00%	7.00%	7.00%	7.00%	7.00%
Combined Contribution Rate	38.72%	31.51%	31.03%	30.97%	30.89%

(15) Workers' Compensation Benefits: The projection reflects a March 2024 actuarial analysis. They reflect the impact of both current and projected future COVID-19 claims.

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

(17) Debt Service: The debt service amounts include known future payments from the Capital Finance budget. The 2024-25 Proposed Budget and projected debt service amounts in 2025-26 to 2028-29 do not include costs associated with major construction projects, including the Los Angeles Convention Center Expansion Project and Civic Center Master Plan.

(18) Resolution Authorities: The deletion line reflects the practice of annually deleting resolution authority positions, which must be authorized each year through a Council resolution. The "Add New and Continued Resolution Authorities" line reflects the continued or new resolution positions included in the 2024-25 Budget.

(19) One-time Costs: The deletion line reflects the practice of deleting programs and costs that are limited-term and temporary in nature each year. The "Add One-Time Costs" line reflects the continued and new one-time costs included in the 2024-25 Budget. The Outlook deletes funding for all one-year projects in 2025-26 and retains the remaining balance for multiyear projects that will not become part of the General Fund base. To the extent that there are budget decisions to continue one-time programs in future years, expenditures would be higher than the reported projections.

(20) Comprehensive Homeless Strategy: This amount represents a decrease of \$209.0 million from the General Fund appropriation for homelessness-related services and expenditures within the context of the City's Comprehensive Homeless Strategy. The 2025-26 amount deletes one-time 2024-25 expenditures.

(21) Unappropriated Balance (UB): The significant increase in 2024-25 reflects the increase to the Department Payroll Reconciliation Account for approved salary adjustments. This increase is partially offset by the deletion of one-time UB items budgeted in 2023-24. To the extent that the new programs are continued in the 2024-25 Budget, the funding for those programs and positions is included in the "Add New and Continued Resolution Authorities" line or "Net – Other Additions and Deletions" line. The 2025-26 amount eliminates one-time UB items included in 2024-25 and continues ongoing ones. The significant reduction in 2025-26 reflects a reduction in anticipated FEMA grant receipts. The Outlook assumes the City will use anticipated FEMA grant receipts through 2024-25 to repay Reserve Fund and special fund loans, special fund FEMA reimbursed expenditures, and special fund COVID expenditures that are not FEMA eligible. Further, the Outlook assumes that funds within the Department Payroll Reconciliation Account are programmed into department salary accounts in 2025-26.

(22) CTIEP – Municipal Facilities and Physical Plant: The CTIEP is the Capital and Technology Improvement Expenditure Program. The 2024-25 Budget includes decreases in funding from the General Fund of \$15.2 million for physical plant related capital projects and \$23.9 million for municipal facilities. The 2025-26 amount deletes funding for one-year projects. The Outlook assumes increased funding in future years to meet the policy spending level of 1.5 percent of General Fund revenue for capital and technology projects.

2024-25 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES

(23) CTIEP – Sidewalk: Pursuant to the settlement in the case of Willits v. City of Los Angeles, the City is responsible for investing \$31 million annually for sidewalk improvements through 2047, with adjustments of 15.3 percent every five years to account for inflation and material price increases. The 2024-25 decrease of \$24.8 million will increase the General Fund appropriation to \$20.6 million annually, with the balance of the required investment covered by other sources of funds. The 2027-28 increase of \$5.5 million reflects the required adjustment to the minimum obligation.

(24) CTIEP – Pavement Preservation Program: The Pavement Preservation Program increase of \$30.5 million in 2025-26 reflects the restoration of General Fund to cover the costs shifted to special funds on a one-time basis in 2024-25. Future years assume that the General Fund will bear cost increases to maintain service levels that exceed the capacity of special funds.

(25) Appropriation to the Reserve Fund: The 2024-25 Budget provides a one-time appropriation of \$37.8 million to the Reserve Fund. The 2025-26 amount deletes this one-time amount. The Outlook does not assume an appropriation to the Reserve Fund in subsequent years.

(26) Appropriation to the Budget Stabilization Fund: Consistent with the BSF Policy, the 2024-25 Budget does not include an appropriation to the BSF. Based on revenue projections, no contribution to the BSF is required in subsequent years.

(27) Net – Other Additions and Deletions: The 2024-25 amount includes the restoration of one-time reductions and efficiencies, ongoing changes, the deletion of vacant positions. The overall decrease is attributed the net deletion of 886 regular authority positions, salary savings rate increases, and reductions in expense accounts and hotel development incentive agreements, which are offset by increased appropriations to the Recreation and Parks and the Library departments and new and increased ongoing costs to a variety of departmental programs. Subsequent years include projected expenditures for the restoration of one-time expenditure reductions, hotel development incentive agreements, the recycling incentives program, and increased appropriations to Recreation and Parks and the Library.

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