



## BUDGET ADVOCATES REPORT February 2024

### Los Angeles City Budget Update

The Mayor's plan to improve services and launch new programs was predicted on the City's ability to fill many of the City's vacant positions. According to the City Administrative Officer, there were over 4,800 vacancies, representing a 19% vacancy factor. Key departments such as Sanitation, Street Service, Transportation, Recreation and Parks, the Library, and Engineering all have vacancy rates of more than 20%.

The City does not have the resources to fill the many vacancies. According to the CAO, the City's revenues for the six months ending in December were \$158 million below plan and there were over expenditures of \$143 million. This resulted in a shortfall of over \$300 million. Next year, the funding gap is expected to be \$400 million. This assumes no economic downturn.

As a result, the City will limit all hiring to non-critical positions, review the hiring process for critical positions (police, fire, personnel sanitation), eliminate all non-critical vacant positions, and restructure selected services and programs impacted by the elimination of vacant positions. Proprietary departments (LADWP, POLA, and LAWA) and special funds are not impacted because they rely on business related revenues and fees. See Council File [23-0600-S115](#) for the [CAO report](#) and the amendments from both the Budget, Finance, and Innovation Committee and the City Council. The amended motion was adopted by the City Council on January 26, 2024.

These budget gaps will require the City to rely on the Reserve Fund. The City will consider increasing fees (trash collection, stormwater, and planning) and placing measures on the ballot to increase taxes. There are also issues of how to fund the City Homeless Service and Housing Program given the projected budget deficits and the full allocation of Measure HHH bonds to fund permanent supportive and interim housing.

### Budget Advocates Activity

The Budget Advocates are preparing for Neighborhood Council Budget Day scheduled for Saturday, June 15, 2024 in-person at City Hall. Please find additional information on our website at [BudgetAdvocates.org](http://BudgetAdvocates.org). We would appreciate it if you could post this event on your NC website calendar.

After the Budget Day plenary session will be regional breakout rooms where we will discuss City services and hold elections for the next two-year term for the Budget Advocates. Neighborhood Councils can prepare for these elections by making sure they have two Budget

Representatives. Only Budget Representatives are eligible to run for a position with the Budget Advocates.

Each Neighborhood Council may have two Budget Representatives. If your NC has one or zero, please appoint as needed and let us know who your Budget Representatives are at [LABudgetAdvocates@gmail.com](mailto:LABudgetAdvocates@gmail.com).

For more information about the Budget Advocates, please visit our website at [www.BudgetAdvocates.org](http://www.BudgetAdvocates.org).