

Proposed Budget

AS PRESENTED BY MAYOR ERIC GARCETTI

APRIL 20, 2020



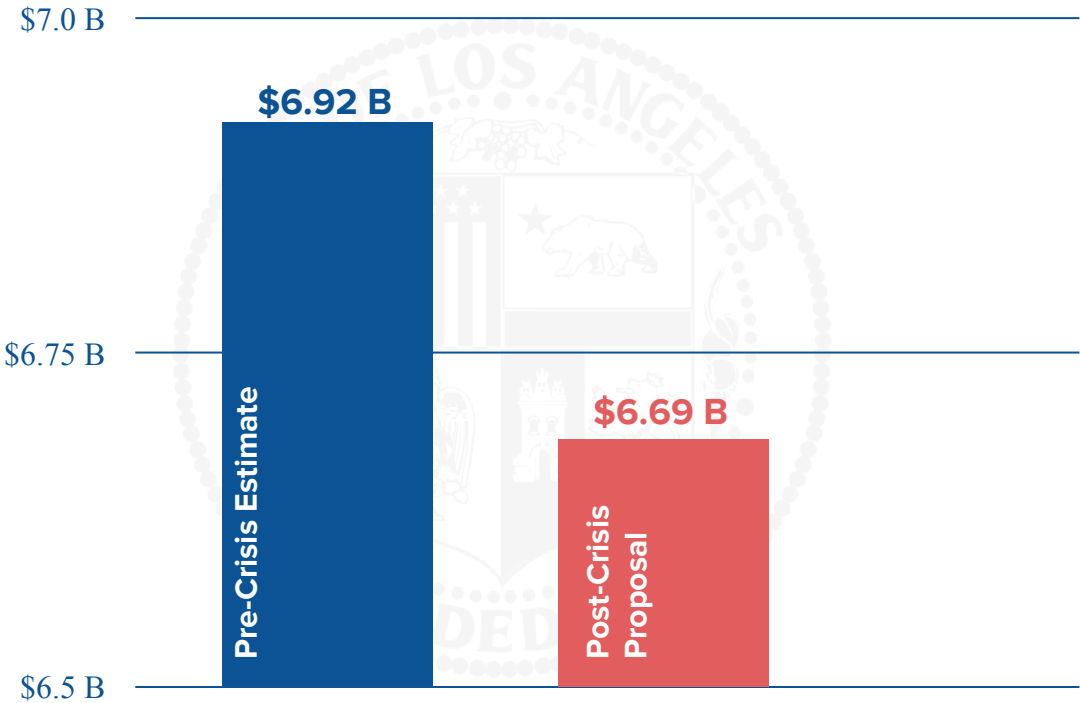
Guiding Principles

The following principles were utilized during the budget development process, due to declining revenues as a result of COVID-19:

- *Maintaining multi-year fiscal solvency*
- *Maintaining services to the greatest extent possible*
- *Preserving public health and safety*
- *Continuing investments towards the homelessness crisis*
- *Avoiding layoffs*
- *Adhering to our contractual and legal mandates*

Impact of COVID-19 on FY20-21

CITY OF LOS ANGELES | FY 20-21 PROPOSED BUDGET



Since the crisis began, revenue estimates for next year dropped by over **\$230 million**

Sources seeing large drops include Transient Occupancy Tax, Sales Tax, Parking Tax, and Utility User's Tax

Budget Priorities

Health, Public Safety, Homelessness and Accessible Housing were the driving priorities for developing this proposed budget.

- **Police / Fire** are budgeted to maintain the same levels of service.
- **CARE/CARE+ program** will continue at the same service levels.
- Additional **custodial services** to ensure employees have a safe working environment
- Additional **medical assistants** in jails to mitigate COVID-19 impacts.
- No layoffs



Impacted Services

All programs will be impacted due to citywide department reductions. Exceptions include public safety services such as fire and police patrol. Examples include the following:

- Capital Improvement Programs
- Graffiti Abatement
- Concrete Streets
- Failed Streets
- Tree Services
- Sidewalk Accelerator Program
- Animal Sterilization
- Gang Reduction and Youth Development



Hiring Freeze and Furloughs

This budget continues a hiring freeze for FY 20-21

Exemptions are currently only being considered for public safety positions, positions that generate revenue, and positions that would satisfy a legally-required mandate.

Total GF savings: \$30M

Total savings: \$42M

This budget also assumes furloughs on civilian employees

Exemptions have been made for some departments and specific public safety and health related positions.

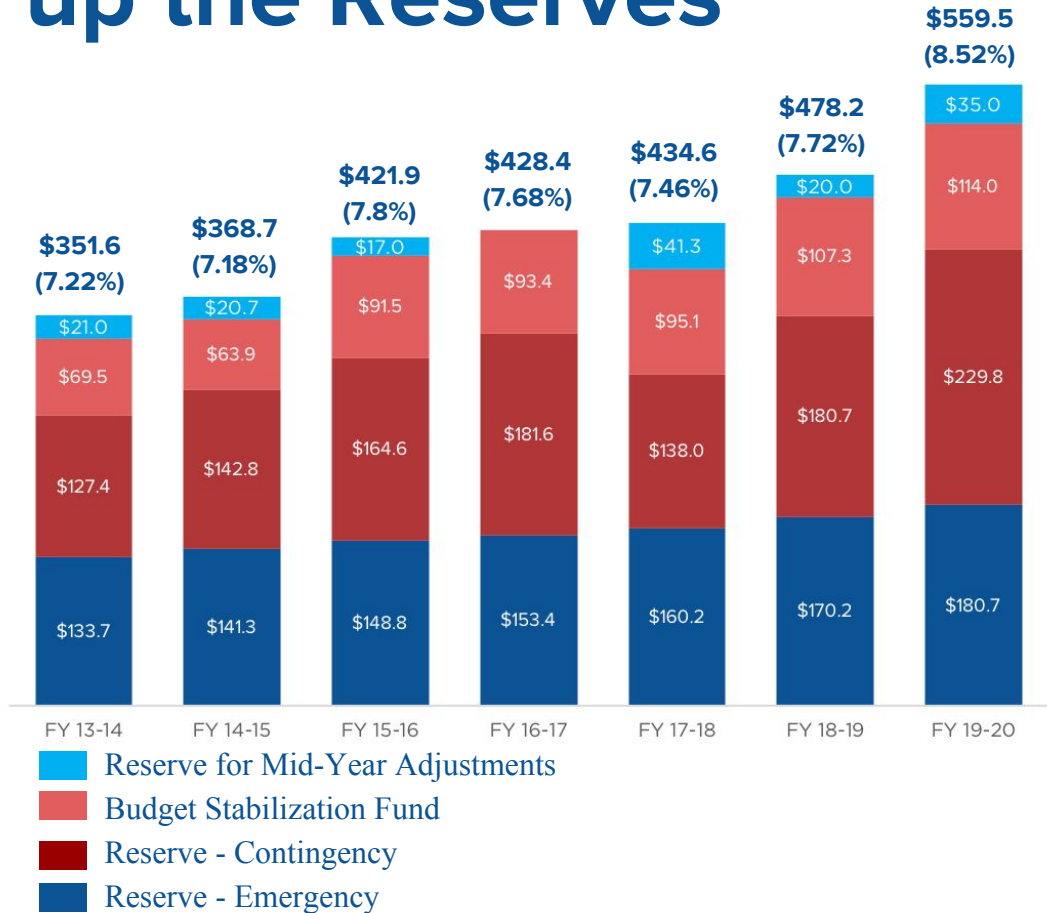
Total GF savings: \$80M

Total savings: \$139M

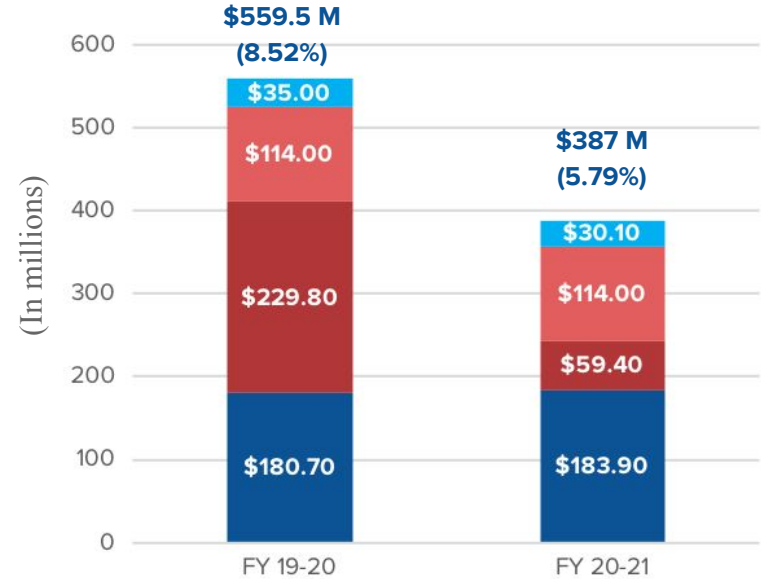
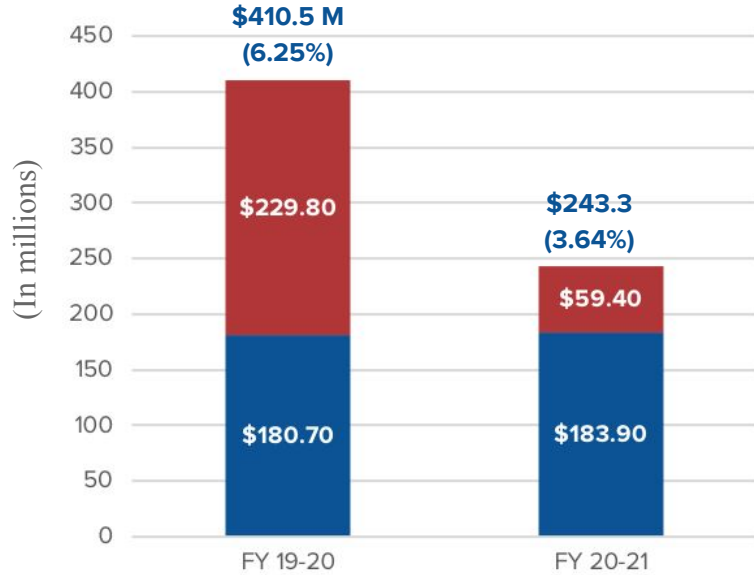
Efforts to Build up the Reserves

Reserves have **doubled** since the recession

Additional reserve-type funds were created such as the Budget Stabilization Fund



Status of Reserves



Reserve - Emergency

Reserve - Contingency

Budget Stabilization Fund

Reserve for Mid-Year Adjustments

COVID-19 Spending Snapshot

Since the crisis began, the City has drawn on \$155M in GF and SF loans to fund the following efforts:

Expanded City Services

Senior Meals	\$25,000,000
Childcare for Essential Workers	\$ 1,663,280
Small Business Microloan Program	\$10,000,000
Medical Relief Facility at LACC	\$ 1,700,000
COVID-19 Testing	\$43,937,352
Subtotal	\$82,300,632

+ Indicates expenditures that have been funded by sources other than the \$155M GF and SF loans.

Continued on the next page...

COVID-19 Spending Snapshot

Equipment and Supplies

PPE for City Operations	\$ 15,283,311
PPE for Unsheltered Individuals	\$ 107,500 ⁺
Logistics Victory LA	\$30,000,000
Subtotal	\$45,390,811

Homeless Services

Mass Shelter Expansion Program	\$8,879,892
Project Roomkey	\$ 22,143,118 ⁺
Health and Hygiene Services	\$ 290,400
Subtotal	\$31,313,410

Total Costs: \$159,004,853

Total Allocated from the GF/SF loans: \$155,000,000

Costs Covered by Other Sources: \$21,106,718

Remaining Balance of GF/SF loans: \$15,713,084

⁺ Indicates expenditures that have been funded by sources other than the \$155M GF and SF loans.

Moving Forward

After the release of the Proposed Budget the City received Federal CARES Act funding in the amount of \$694 million; however, these funds are restricted and may not be used to address revenue loss.

In the event that City revenues exceed budgeted projections, or Federal or State funds are provided to compensate for revenue losses, the following items shall be prioritized for funding:

- *Paying back loans*
- *Restoring Reserves*
- *Canceling furloughs*
- *Funding additional liability accounts*
- *Funding critical one-time capital projects or other expenditures*

Proposed Budget

AS PRESENTED BY MAYOR ERIC GARCETTI

APRIL 20, 2020

