



DAVID E. RYU
COUNCILMEMBER, FOURTH DISTRICT

June 29, 2020

Hon. Paul Krekorian
Chair, Budget and Finance Committee
200 N. Spring Street
Los Angeles, CA 90012

Dear Members of the Budget & Finance Committee --

The Mayor's Fiscal Year 2020-2021 Proposed Budget is being discussed against the backdrop of the COVID-19 global pandemic which has devastated local and state governments budgets, an unprecedented unemployment rate as well as a national outcry against institutional racism within law enforcement. This is undoubtedly a difficult time, and one where we must be very concerned about how we balance our budget, and the impact these cuts will mean to our communities.

In 2019, Los Angeles passed a record-setting \$10.6 billion budget, with a healthy \$559 million in reserves made possible by a strong economy and austere foresight. In 2020, the picture could not be more different. The coronavirus pandemic has created a massive unanticipated shortfall of \$45 to \$600 million, with the Mayor's revise on April 20th proposing 10% cuts to all departments, except to public safety and certain special funded departments (based on a \$231 million revenue shortfall).

We can, and we must, do better. Right now, families and small business owners are dipping into their savings, securing loans, and going into debt just to stay afloat or to simply put food on the table. Private sector and nonprofits across our City are closing their doors. Jobs are disappearing and economic activity remains at a trickle. In these times of great economic crisis, it is the government that must step-up and step-in, to provide where the market has fallen short. It must support the people when they have nowhere else to turn and help jump-start the economy. Like the New Deal, we must do all we can to support and protect Angelenos - including the willingness to dip into our reserves. The City must be willing to do what we are expecting every Angeleno to do. This is not just the right thing to do, but also the way to help our City's economy rebuild faster and more equitably.

My top priority for the 2020-2021 City Budget is to fully restore all cuts to services, and if possible, even increase funding to critical services that serve vulnerable populations and those especially affected by this pandemic. This includes, but is not limited to, the departments of Aging, Economic & Workforce Development, and Housing & Community Investment - all of which are facing cuts in the Mayor's proposed budget. How we get there takes many different approaches.

The first source to backfill these cuts is to restructure and reimagine all City departments to reflect service delivery in a post-COVID19 world. Every department must reevaluate their structures and programs for their feasibility and usefulness. For example, an assessment of how and where jobs are performed (including remote working) that can create potential cost-savings. Further, programs that require large gatherings or close interactions should be redesigned or have the funding redirected first within the department, then to the General Fund.

Once restructuring and streamlining efforts have been exhausted, we must be willing to draw deep into our reserves, leaving a minimal balance for potential natural disasters. We cannot let hundreds of millions of dollars sit in a "rainy day" fund while hundreds of thousands of Angelenos are unemployed and unable to pay their bills. If the reserve funds are still not enough, we should explore all other options, such as, but not limited to: loans, deferrals, grants or bonds from public and private sources; renegotiations of labor union contracts or deferrals; exercise early retirement options; and pension and health plan efficiencies.

When all these options are exhausted and cuts are still necessary to balance the budget, everyone must share in the burden. Any remaining shortfall should be divided equitably among city departments proportional to their budget size, with a conscious effort to minimize cuts to services that serve the underserved and vulnerable communities. When so many families are struggling to make ends meet, the last thing to be cut should be our departments in Housing, Aging, and Workforce Development.

This brings me to the LAPD budget. We have begun to reimagine public safety with the proposed \$150 million cut to the LAPD budget, with a clear commitment to invest these savings to underserved communities. As such, this savings should not simply go into the General Fund with a vague plan for later use in underserved communities or to simply backfill the cuts made to all departments. This funding should go first towards restoring and expanding those social services or help fund a new direction, like the Office of Violence Prevention or non-law enforcement alternatives to traditional policing.

Furthermore, though I support the funding reductions to the LAPD, cuts to Gang Prevention, Youth Programs and community patrols are counter-productive, especially when we can have further cuts in technology, vehicles, weapons, and other material goods. Ultimately, we need to invest in alternatives to armed police response, but it could be harmful to reduce 9-1-1 responses without alternatives in place or a plan to respond to emergency calls. The repurposing of public safety funding is a good start, but let's not pretend that these systemic issues ingrained in public safety can be solved through one budget cycle or one re-allocation. This will be a multi-year effort to redesign

our City and re-imagine public safety to better serve all our communities, and it should be done thoughtfully and holistically.

If history is our guide, it will show that services and departments which support our most vulnerable are often the first to get cut, and the last to get funded. Let's flip that script. Let's hold up our departments which serve renters, seniors and working people as the priority - and do all that is possible to keep them serving the people of Los Angeles.

It is worth noting that the federal and state governments are considering legislation which includes funding for cities. Though we can't know for sure, it is very likely that more funding will be coming our way. Therefore, if we've only made cuts to social services, then we will not only have made unnecessary cuts, but once funding is restored, we will be in a position trying to rehire, restore and repair in some cases irreparable damage.

The reality is, without federal aid, there is no amount of cuts or austerity measures we can make this year that will save us from even deeper cuts in the years ahead. Crafting an equitable, effective, and just City will not be easy, but it is clear that the time for restructuring and reform is now and cannot be ignored.

Sincerely,

A handwritten signature in black ink, appearing to read "David Ryu". The signature is fluid and cursive, with a large initial "D" and a stylized "Ryu".

David Ryu
Councilmember, City of Los Angeles, District Four