

CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: April 22, 2025

To: Honorable Katy Yaroslavsky, Chair
Budget and Finance Committee
Attention: Mandy Morales, Office of the City Clerk
200 North Spring Street, Room 395, City Hall
Los Angeles, California 90012

From: Laura Rubio-Cornejo, General Manager
Department of Transportation



Subject: **LOS ANGELES DEPARTMENT OF TRANSPORTATION FY 2025-26 PROPOSED BUDGET**

Thank you for the opportunity to outline the impacts of the proposed budget reductions for FY 2025-26 along with presenting an alternative proposal which can reduce these impacts.

The proposed budget reduction includes deletion of 271 filled positions and 152 vacant positions in the department, along with \$7.1 million in expense reductions. The Department would be left with approximately 92 remaining vacancies if all the proposed reductions were included in the 2025-26 Adopted Budget. About 54 of the remaining 92 vacancies can be used to help retain employees based on the filled position classifications proposed for layoff. In this memo, I have identified potential sources for offsets that can save a significant number of additional filled positions proposed for reduction and welcome the opportunity to report back in more detail.

Impacts of Proposed Reductions

The proposed reduction of 271 filled positions and 152 vacant positions, or 23.6 percent reduction in authorized positions, will have significant impacts on nearly all of LADOT's core services in FY 2025-26 and beyond, including the Department's ability to prepare and deliver infrastructure improvements for the 2028 Games. Many of LADOT's core services are driven by safety- a singular goal to make our streets safer and provide Angelenos with safer options for travelling. The budget cuts and proposed layoffs threaten this fundamental goal. In addition to the potential Citywide public safety impacts of reduced services as listed below, the proposed reductions also have secondary negative General Fund impacts in terms of a revenue generation for the City's General Fund and increased risk and liability exposure for the City.

Revenue Generation:

- **Parking Enforcement and Traffic Control (PETC) Officers:** Elimination of approximately 22% of our PETC staff, including our Traffic Officers officers (80 filled and 46 vacant positions) and Senior Traffic Supervisors (15 filled and 5 vacant positions) will result in LADOT not being able to sustain 7 day, 24 hour PETC staffing. Staffing reductions would impact both A.M. (12:00a.m.-8:30a.m.) and P.M. (3:30p.m.-12:00a.m.) shifts and would require restructuring of the A.M. shift. Reductions would require the department to establish clear priorities and determine the essential duties for officers, including Inside Safe support, Council District operations, public

safety response (LAPD/LAFD), and daily street sweeping route coverage. These staffing reductions would also result in diminished ability to effectively patrol parking meter districts that support local businesses and longer response times to investigate abandoned vehicle complaints, if at all. In addition, PETC would have to significantly reduce the number of Traffic Officers available to deploy for special events throughout the city, and will no longer be able to support non-reimbursable special events, including approximately 100 First Amendment events that PETC currently staffs. PETC will look to LAPD to provide staffing for these events. Of note, parking citation revenue projections contained in the Proposed Budget have not been revised down to reflect this reduction in staffing.

- **PETC Communications Center:** Elimination of approximately 61% of our Communications Center staff, which primarily consists of Communication Information Representatives, will drastically reduce our Parking Enforcement and Traffic Control overall response. This will directly impact the ability of the department to dispatch traffic officers to urgent call-ins from constituents and other stakeholders, including requests from LAPD and LAFD, and reduce the department's ability to dispatch traffic officers to handle safety related matters. Without the communications center, Parking Enforcement responses will be extremely slow, if at all. With the proposed reductions, the Department would have to reduce from four communications center shifts down to one, which decreases the ability to answer calls and increases the wait time for residents. Approximately 1,000 calls per day are made to the Communications Center; under the proposed reductions, approximately 700 calls per day would go unanswered.
- **Parking Citation Adjudication:** Elimination of approximately 58% of the the staff assigned to the Adjudication division will have a direct impact in the ability for the department to run an effective appeals process for parking citations, potentially resulting in dismissed citations, resulting in reduced parking revenues to the City. The backlog of citations being adjudicated is already growing at current staffing levels along with the challenge of staffing three in-person adjudication offices. Reduced staffing will grow the backlog to the point where State mandated deadlines will result in automatic citation dismissals to resolve citation appeals, thus reducing overall citation revenues. Reduced staffing levels will also result in reduced front counter hours and potential closure of at least one adjudication office.
- **Preferential Parking District (PPD) Program:** Elimination of 25% of the program staff would exacerbate the current PPD backlog of 18-24 months and will make keeping this program open unsustainable. Accepting new PPD requests would be put on hold to allow remaining staff to work through the backlog.

Increased Liability:

- **Risk Management:** Elimination of 44% of the department's risk management staff will inhibit the department's ability to effectively manage third party claims, workers compensation claims, contractual insurance and indemnification reviews, and directly impact occupational health and safety compliance. These responsibilities would likely need to fall onto the CAO's Risk Management team and the Personnel Department's Occupational Health divisions.
- **Traffic Paint & Sign:** Elimination of 34% of the department's paint and sign field staff will have a direct impact on the ability to keep up with the City's Pavement Preservation Program (PPP), temporary signage posting (for FilmLA, special events, construction on the public right-of-way, etc), and support for Metro related project delivery. This bureau is also tasked with pro-actively

updating deteriorated striping, fallen signs and maintaining other traffic control devices. With the proposed layoffs, general maintenance of the City's striping and signage will suffer, thus increasing potential liability should a traffic incident occur.

- **District Operations Engineering:** Elimination of 29% of our department's district operations will directly impact the ability to respond to constituent and stakeholder requests for traffic related requests, including reported non-safety related investigations and 311 requests. The backlog of requests will likely increase and increase general liability on the department. Specific District level requests will be paused due to inability to respond within a reasonable timeframe and growing backlog. This includes the installation of blue and red curbs and Neighborhood Livability Projects that are not based on safety data. We will also no longer be able to respond to requests for historical street signs or intersection dedications not officially designated by the Cultural Affairs Department or the State, and response times for regulatory signs as requested by LAPD/LAFD will be impacted.
- **ATSAC/ATSAR Operations:** With a 43% reduction in staffing, the department will struggle in maintaining the signal system and ensure that the system is fully functional in responding to general congestion and emergencies. Identifying system malfunctions and repairs to the signal system will be slow and may have direct impacts in emergency response. Furthermore, upgrades to the system will likely need to be delayed, making it possible that repairs could not be made in the future due to dwindling legacy component supplies.
- **Project Delivery:** Elimination of 38% of staffing will have a direct impact on the Department's ability to deliver on grant funded traffic safety and active transportation projects Citywide, and also carry out draft recommendations outlined in a forthcoming joint CAO/LADOT Vision Zero report.

Currently the department supports over \$1.8B in grant funded projects from a variety of local, state, and federal sources. The proposed staffing reductions will hinder this bureau's ability to develop and deliver projects per the granting agencies' deadlines. Non-delivery of these projects will likely result in a loss of grant funds and potential required repayment of several hundred million in reimbursed grant monies depending on grant deadlines. Future grant awards will also likely be in jeopardy due to the City's non-delivery. In addition, the reduction of project delivery staff would also impact the department's ability to support Metro in delivering major rail and bus-only lane projects on their aggressive schedule, including meeting any timelines associated with the 2028 Games.

On May 11, 2023, Metro authorized the City to seek credit towards a required 3% contribution to Metro under Measure M for the major transit projects being planned within City limits. This contribution amounts to approximately \$183M between 2025 through 2030 for three major transit lines with additional contributions required through 2057 as outlined under Measure M. These funds could be expended with City Staff salaries and associated expenses in-lieu of a cash payment. Elimination of project delivery staff will greatly reduce the ability of the City to perform this work as an option.

Proposed Offsets

Offsets available for us to consider were limited given the department's only programs that are General Funded include the Crossing Guard Program, Parking Enforcement and Traffic Control, and Parking Operations—two of which are already significantly impacted in the Proposed Budget. In light of this, offsets available include the opportunity to reduce ongoing budgeted general fund overtime, and repurposing \$2 million in Open Streets funding to save positions dedicated to project delivery.

Additional structural offsets may be available through the use of the department's off-budget funding sources such as operational surpluses in the Permit Parking Revenue Fund and other specific plan transportation impact fee funds.

Furthermore vacancies not proposed for deletion could be used to prevent additional layoffs through one-to-one internal transfers or substitute authorities.

As previously indicated, I would like the opportunity to report back through this budget process with specific details on how to use these potential offsets to avoid layoffs and to potentially modify services as will be needed should the proposed cuts be realized.

The LADOT organizational chart is included with this memo and includes a summary of programs and operations as requested. Based on the proposed position deletions which include the elimination of two Assistant General Managers, I will need to realign the remaining staff and functions to deliver the associated services to residents, which can also be addressed in a report back as needed.

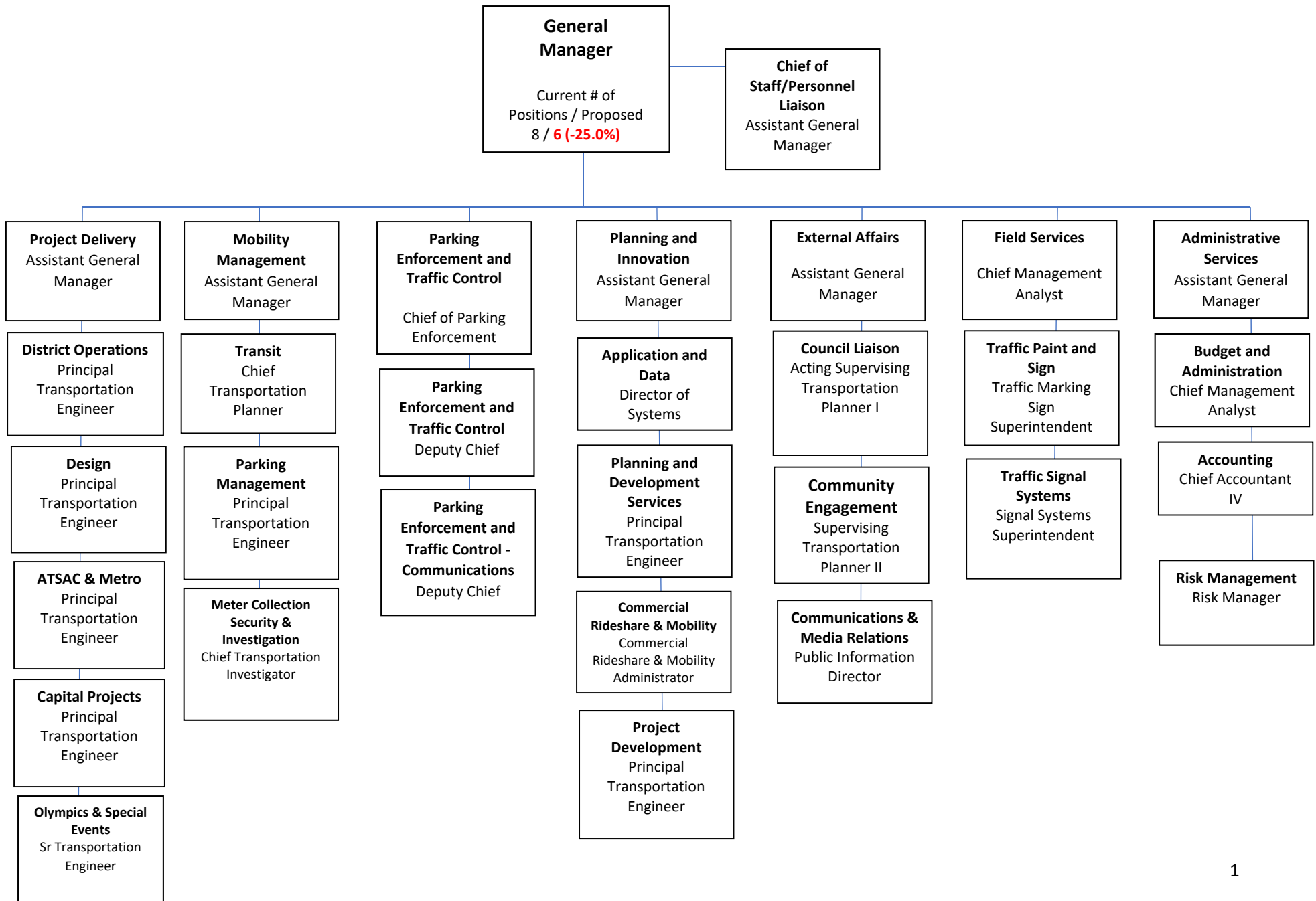
The contractual services for the LADOT operating budget for FY 2025-26 are summarized in the Mayor's Proposed Budget, and primarily consist of the City's parking citation processing contract and street resurfacing support services.

I look forward to providing a report back with more details on our proposed recommendations. Thank you in advance for your consideration of these offsets.

cc: Randall Winston, Office of the Mayor
Matt Hale, Office of the Mayor
Sharon Tso, Chief Legislative Analyst
Matt Szabo, City Administrative Officer

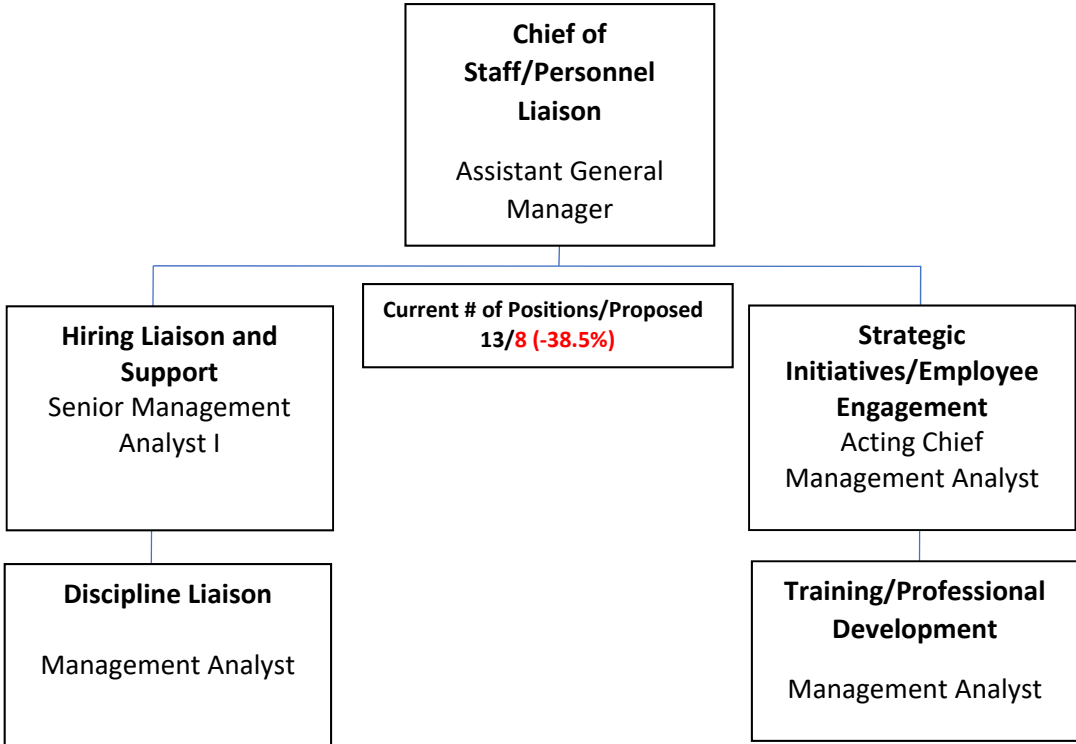
LADOT FY 2025-2026 Proposed Budget Organization Chart

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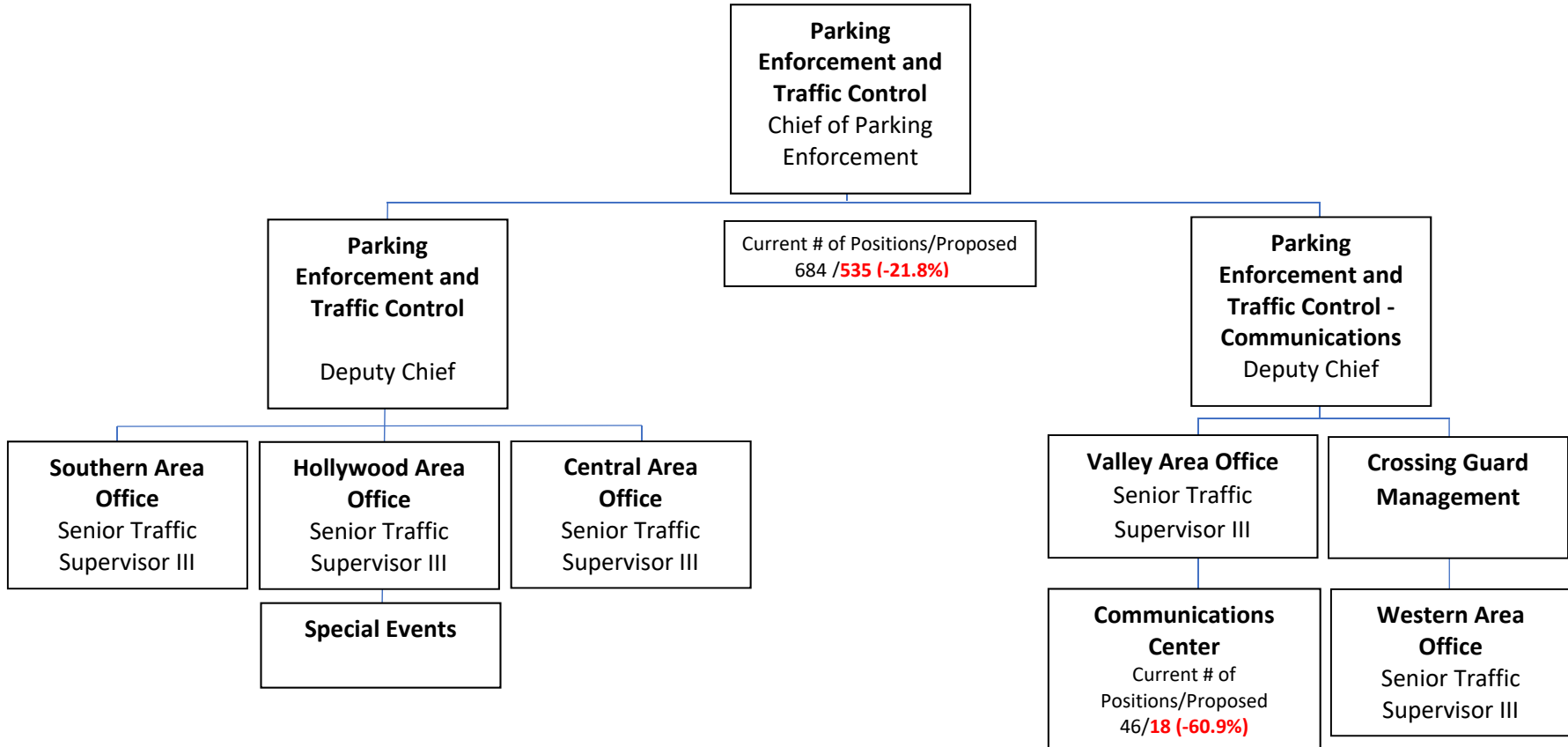
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- Development and Oversight of the 5-year Strategic Plan 2025-2030
- Personnel Liaison
 - Hiring
 - Grievances
- Employee Training & Development
- Equity & Inclusion Programs

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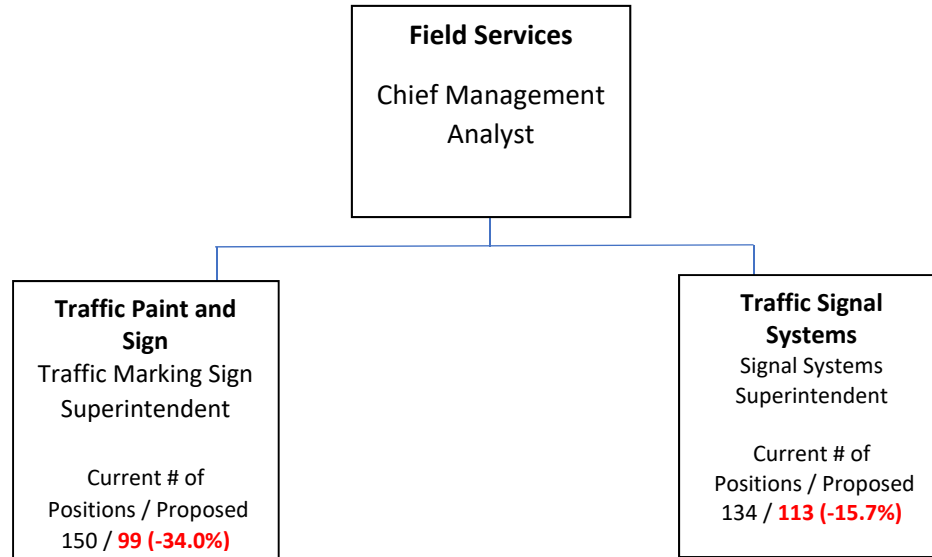


Each Area Office is Currently Tasked with:

- | | |
|--|--|
| <i>Assist LAPD/LAFD with emergency services traffic</i> | <i>Special Events Traffic Control</i> |
| <i>Recovery of Stolen Vehicles</i> | <i>Scheduled Events</i> |
| <i>Traffic Signal Repair</i> | <i>100 1st Amendment events (which LAPD will have to absorb)</i> |
| <i>Slurry/Street Services</i> | <i>Planned parades</i> |
| <i>Radio Calls (Daily call responses decrease from approximately 1000 to 300.)</i> | <i>Care and Care+</i> |
| <i>RV Enforcement/Occupied Vehicle</i> | <i>Inside Safe</i> |
| <i>Crossing Guards</i> | |

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Maintenance/Safety Related

Resurfacing

Temporary Signs 95% revenue generating

Council District Projects/Requests/311 calls go to District

Temporary Signs (1st amendment, Inside Safe/Mayoral requests)

Ceremonial Signs

Traffic Signal Repair/maintenance (TSR)

Controller Prep Lab

Construction/Wreck crews

Detector Loop Sensor Installation

Signal preventative maintenance inspections

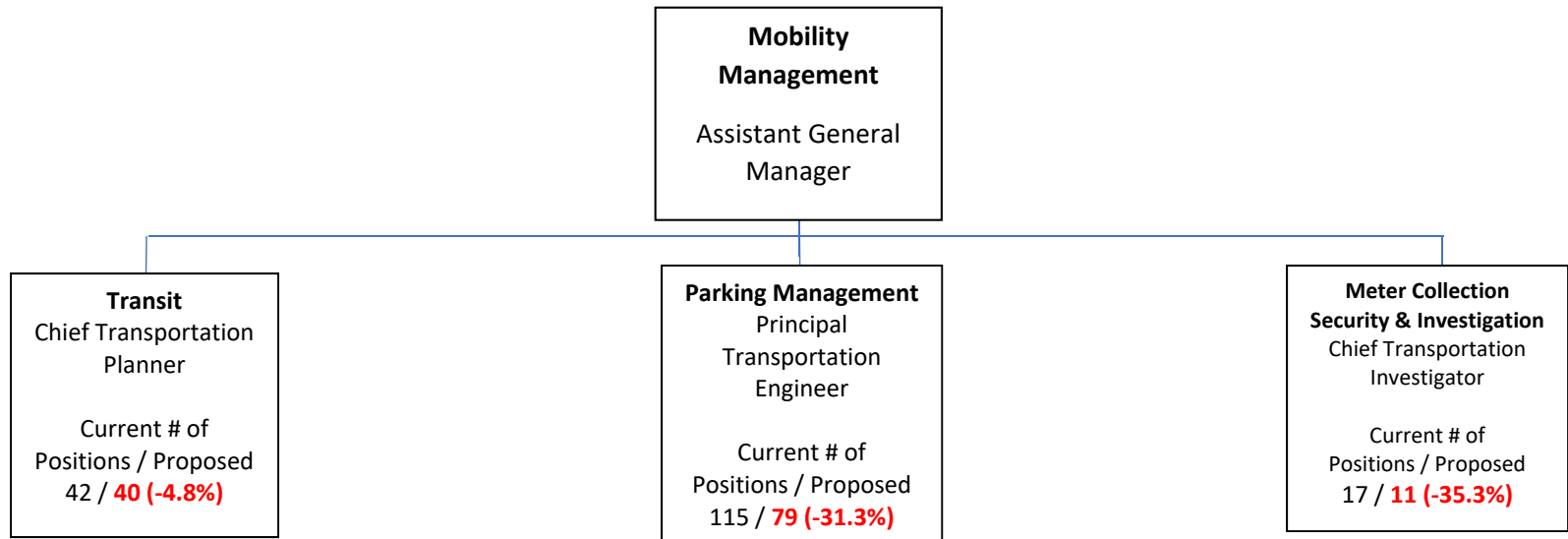
Utility repair/dig out

Reflective backplate installation

LED replacement program

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- Existing DASH Services
 - Yard Electrification
 - Maintain the Customer Service Center
 - Create a new Transit Service Analysis
 - Contracts/RFPs - Timelines
 - Transit Safety Contract
 - Transit Technology
 - Compliance Programs
 - Grants Backlog
- LA Streetcar
 - Transit Marketing
 - Charter Bus
 - Metrolink Stations - Upgrades
 - LANOW
 - Grant Application (Only Elect)
 - Transit Technology
 - Commuter Express
 - Electric bus purchases
 - CityRide Services

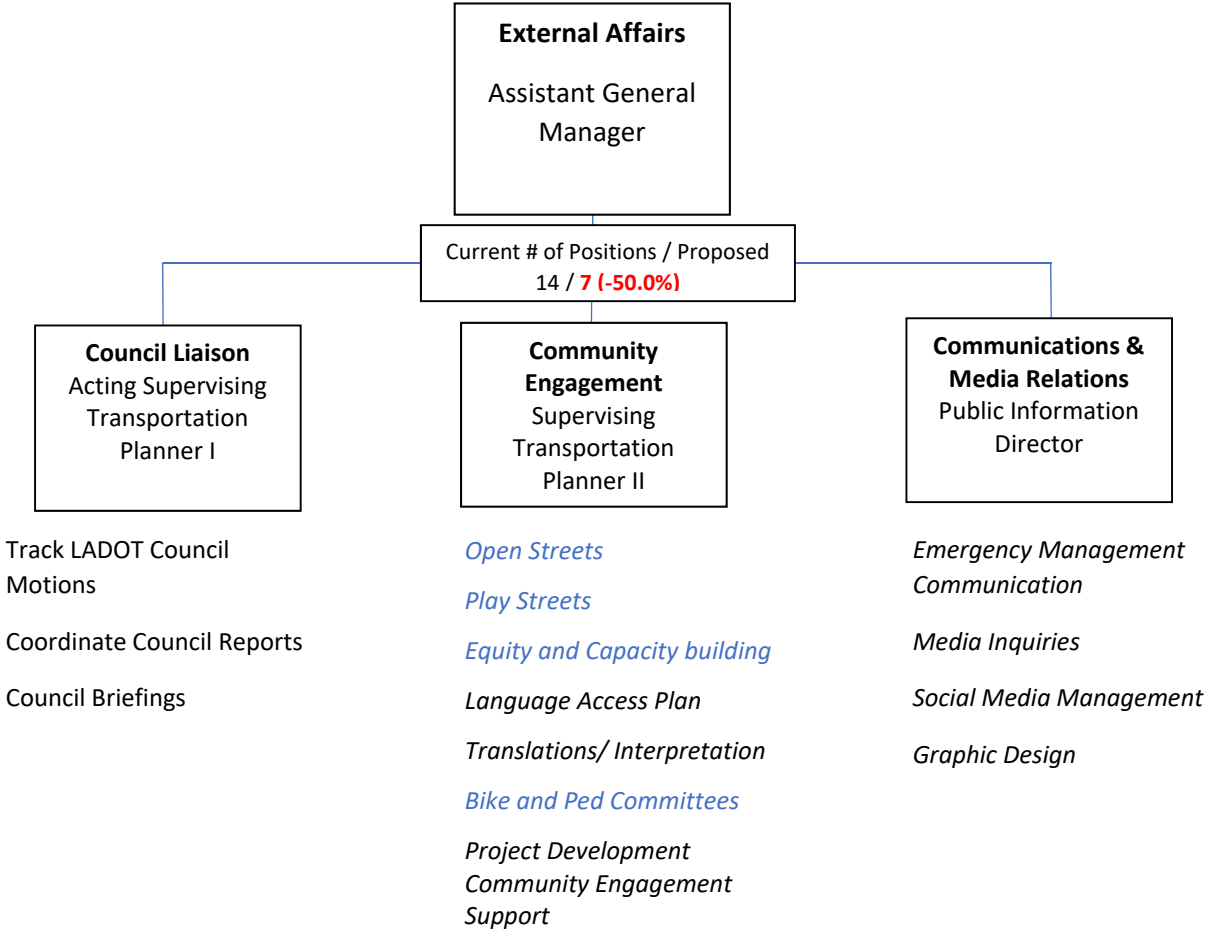
- Parking Adjudication
- EV Charging
- Facilities Management
- Affordable/Interim Housing Projects
- Curbside management
- LA Express Park
- Parking Meter

- Parking Studies
- Parking Citation Initial Review
- Permit Processing
- Parking Meter Collection/ Coin Counting
- Community Assistance Parking Program
- Preferential Parking District Permits (PPD)
- Valet Permit Support for LAPD Commission

- Vehicle Inspections
- Field enforcement
- Parking Meter Revenue Security
- Parking Meter Maintenance/Repair/Installation

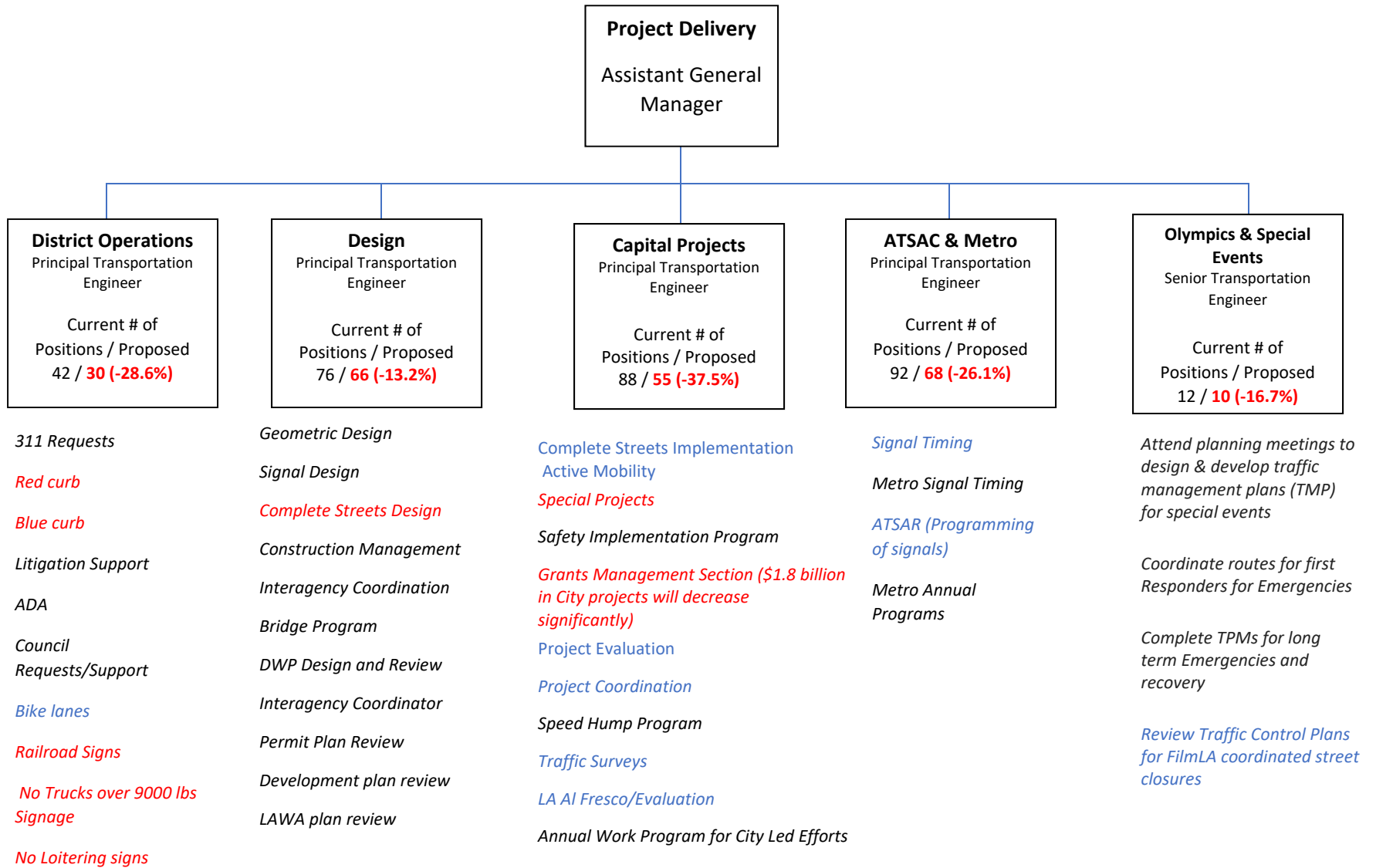
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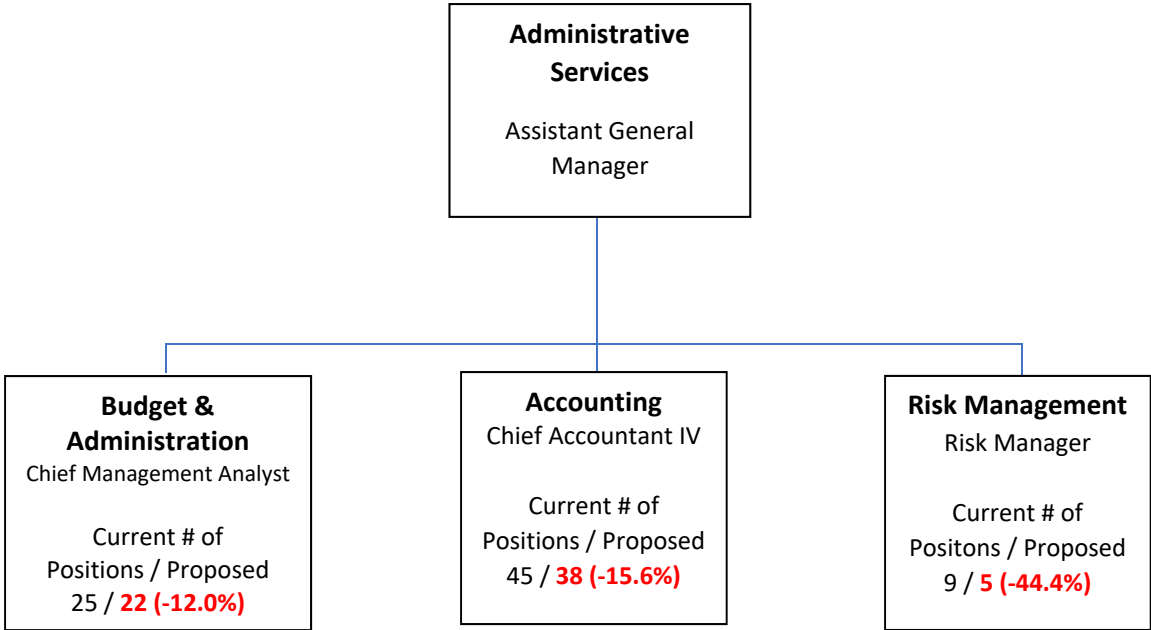
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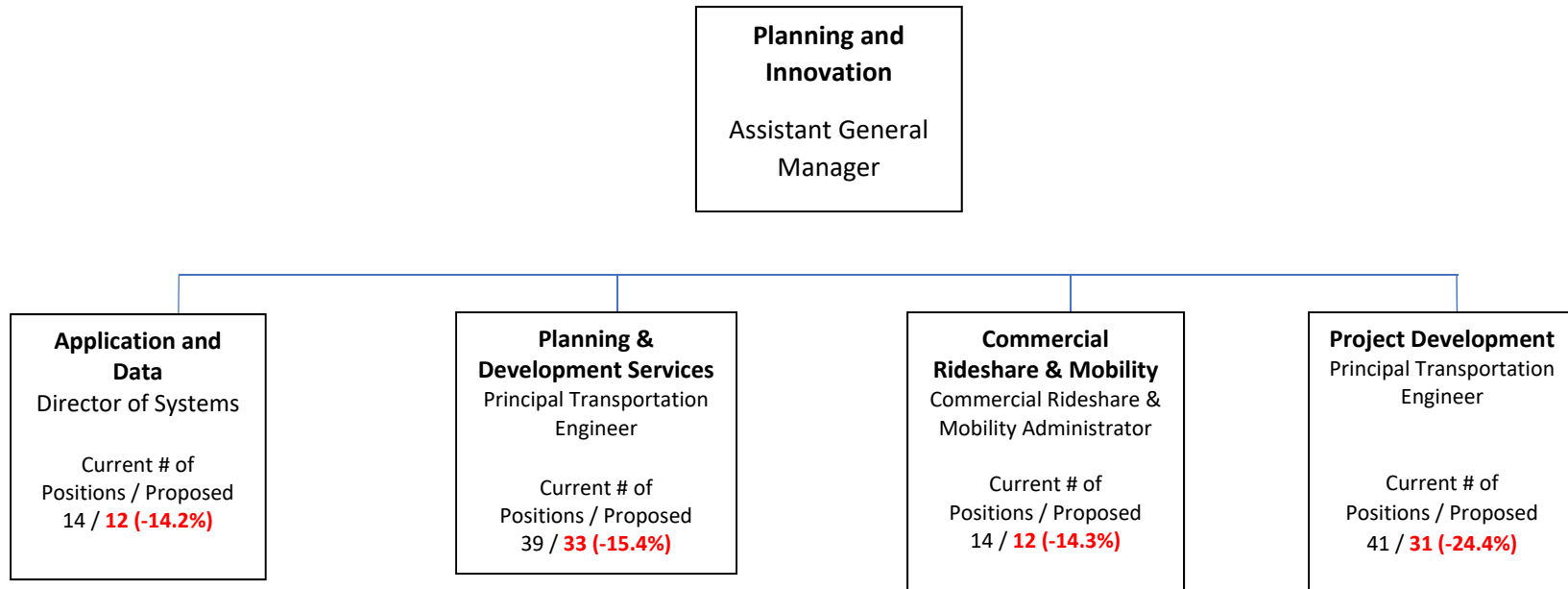
Budget Development/Oversight
Contract Administration
Facilities Management
Workday Oversight
Procurement

Payroll
Manage 26 Special Funds
Invoicing for all City Departments
Financial Reporting/Audits
Provide Accounting Support to 16 other City Departments

Emergency Management
CIPRA requests
Litigation Support
Workers Compensation
Insurance Reviews for Contracts

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GIS

IT Support

Business Solutions Group / Applications/Software as a Service

HLA Dashboard

West LA/ Central/Coastal /Valley and Metro Development Review

WLA Special Projects

Mobility Action Plan

One Stop Counter

Olympics Planning

First Last Mile to Metro Stations

Code the Curb

Grant Coordination and Strategy

Mobility 2035 Planning & Compliance

Universal Basic Mobility Program Expansion

Forecasting Model Update and Maintenance:

Ventura Cahuenga Specific Plan Update:

Universal Basic Mobility Pilot Program in South LA

Transportation Demand Management Program:

DTLA Mobility Investment Plan

Update to LADOT Project Development and Planning Guide

Update to Design Guidance

REAP 2.0 funded efforts

Vehicle and Driver Permitting Process

Permits for Dockless Companies and other Mobility Modes Regulation
 Delivery Robots

Mobility Data Sharing

Bikeshare

EV Carshare Permit Program

Moratorium on permits for new N.E.M.T (Medical Transportation) companies

Vision Zero

Active Transportation (Only Mobility 2035 corridors)

Olympic Venue Planning