

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

April 29, 2025

To: Honorable Members of the
Budget and Finance Committee

From: Sharon M. Tso *SMTso*
Chief Legislative Analyst

Overview of the 2025-26 Proposed Budget

As requested by your Committee, we have prepared the attached overview of the 2025-26 Proposed Budget, as submitted by the Mayor on April 21, 2025.

If we can be of further assistance in this matter, please let us know.

SMT:majs

Attachment: Overview of the 2025-26 Budget
As Submitted by the Mayor

OVERVIEW OF THE 2025-2026 PROPOSED BUDGET

AS SUBMITTED BY THE MAYOR



Presented to:
The Budget and Finance Committee

Prepared By:
Sharon M. Tso
Chief Legislative Analyst

2024-25 Budgeted Revenue\$8,033.02M

- Includes One-Time Revenues (\$220.33M)

2025-26 Revenue Estimate\$8,061.66M

- Includes One-Time Revenues (\$78.49M) and Ongoing Revenues (\$170.48M) above 2024-25 base revenues.

Total Revenue Change\$28.64M

Balancing the 2025-26 General Fund Budget

2025-26 Expenditures to Maintain 2024-25 Service Levels

- **Obligatory Expenditure Changes (-\$383.97M)**

- Includes:

- 2024-25 Employee Compensation Adjustment (\$108.74M)
- 2025-26 Employee Compensation Adjustment (\$23.3M)
- Unappropriated Balance - Payroll Reconciliation (-\$92.83M)
- Deletion of One-Time Expense and Unappropriated Balance Funding (-\$385.29M)
- City Employee Retirement System (-\$27.45M)
- Fire and Police Pensions System (-\$21.6M)
- Human Resources Benefits (\$34.97M)
- Police Department - Sworn Deployment Adjustment (-\$6.41M)
- Police Department - Civilian Deployment Adjustment (\$5.67M)
- Reduced Appropriations to Previously Subsidized Funds (-\$20.28M)

- **Continuation of Existing Services (\$289.38M)**

- *Does not include \$35.59M in funding for eliminated Resolution Authorities*

Balance Available to Maintain Existing Services\$123.23M

- **2025-26 Increased and New Services (\$344.08M)**

- City Attorney - Litigation Account Increase (\$2.75M)
- Community Investment for Families - Survivor Services System (\$3.98M)
- Fire - Supply and Maintenance Staffing (\$1.5M)
- Fire - Fire Boat Maintenance (\$2M)
- Fire - Harbor Fire Captains (\$1.23M)
- Fire - Flight Safety Program (\$0.43M)
- Fire - Fire Station Maintenance (\$0.46M)
- Fire - Emergency Appointed Paramedics (\$1.28M)
- Fire - Turnout Maintenance and Repair (\$1.5M)
- Fire - Safety and Protective Equipment (\$2.43M)
- Fire - Human Resources Division Staffing (\$0.68M)
- Fire - Voice and Data Communications Equipment (\$1M)
- Fire - Tactical Emergency Medical Support Unit (\$1.53M)
- Fire - Behavioral Health Program Expansion (\$0.45M)
- Fire - Airport Fire Inspectors (\$0.41M)

- Fire - LAWA Cycle Teams (\$1.12M)
 - Fire - Homeless Fire Protection and Street Medicine Program (\$7.21M)
 - General Services - Field Equipment Expenses (\$3M)
 - City Planning - Van Nuys Airport Specific Plan (\$0.65M)
 - Police - Vehicle Recycling Program (\$3M)
 - PW/Street Services - Pavement Preservation Staff (\$0.47M)
 - PW/Street Services - General Investigation and Enforcement Expansion (\$0.5M)
 - CTIEP - Municipal Facilities (\$1.42M)
 - CTIEP - Physical Plant (\$6.32M)
 - General City Purposes - Alliance Settlement Agreement Program (\$3.87M)
 - General City Purposes - Citywide Homeless Interventions (Non-Alliance) (\$26.2M)
 - General City Purposes - Office of Major Events (\$2M)
 - Unappropriated Balance - Outside Counsel including Workers' Compensation (\$2.73M)
 - Liability Claims - Miscellaneous Liability Payouts (\$100M)
 - Other Special Purpose Funds - Reserve Fund (\$157.07M)
 - Other Increased and New Services (\$6.89M)
- **Efficiencies of Services in the Proposed 2025-26 Budget (-\$134.28M)**
 - Vacant Regular Position Eliminations (-\$43.64M)
 - One-Time Salary Reductions (-\$4.60M)
 - Expense Account Reductions (-\$60.43M)
 - Police - Civilian Hiring Below Attrition (-\$8.54M)
 - General City Purposes - Gang Reduction and Youth Development Office (-\$2M)
 - General City Purposes - Los Angeles Continuum of Care Administration (-\$0.72M)
 - General City Purposes - Street Strategies (-\$2.13M)
 - Other Special Purpose Funds - Los Angeles Zoo Enterprise Trust Fund (-\$2.2M)
 - Other Special Purpose Funds - Neighborhood Empowerment Fund (-\$0.7M)
 - Other Special Purpose Funds - Arts and Cultural Fac. and Services Trust Fund (-\$2.14M)
 - Other Special Purpose Funds - Sidewalk Repair Fund (-\$1.13M)
 - Other Special Purpose Funds - Neighborhood Council Fund (-\$0.69M)
 - Other Special Purpose Funds - Matching Campaign Funds (-\$4.08M)
 - Other Efficiencies (-\$1.28M)
- **Reductions to Services in the Proposed 2025-26 Budget (-\$86.57M)**
 - Filled Position Eliminations, Eight-Month Savings (-\$69.14M)
 - General City Purposes - Additional Homeless Services (-\$17M)
 - General City Purposes - Neighborhood Councils (-\$0.03M)
 - Other Special Purpose Funds - Innovation Fund (-\$0.4M)

NET SURPLUS/DEFICIT\$0

2025-26 and Future Years

2025-26 represents one of the most difficult years for the City in decades. A confluence of events over recent months in concert with actions in recent years from the Palisades fire, litigation against the City, labor contracts, economic uncertainty resulting from erratic federal policies on both the national and international level, and depressed growth in revenues across the board have resulted in a General Fund that is projected to increase by 0.4 percent in 2025-26, which is not enough to maintain the status quo as it stands in 2024-25. Hard decisions will be required in order for the City to adopt a budget that provides funding for critical functions while minimizing the impacts to the extent possible on the workforce, residents, and visitors to the City. Given the issues facing the City, not all of which are in the City's control, the City must take necessary steps now where it can to mitigate against further adverse consequences and focus on making lasting structural reforms.

The Mayor's Proposed Budget makes structural changes in order to reduce long-term issues. The Proposed Budget is balanced, and provides focused funding for the Mayor's major priorities such as homelessness funding and public safety. However, this structural balance is built largely on the elimination of 1,647 filled positions and 1,074 vacant positions across most City departments. These cuts will have long-term impacts on the City, which are not outlined in the Proposed Budget. It is unclear what services will be reduced, what facilities closed or what work will be left undone. It is also not clear how many layoffs will actually occur, as some employees in filled positions will be able to move into vacant positions, transfer into new positions that are included in the Proposed Budget, or transfer to proprietary departments. Further layoffs and reductions in services could have unintended consequences, including revenue collection impacts and long-term increased liability.

The City Administrative Officer (CAO) indicates that the low growth in the City's General Fund receipts is the result of 2024-25 General Fund revenues falling short of the Adopted Budget by \$112M, which has reduced the base budget. In addition, economic policies from the Federal Government, coupled with disruptive cuts in Federal programs and spending, are likely to create significant issues for revenues and have the potential to cause greater economic harm, including potential recession. Despite this, the CAO's four-year outlook optimistically assumes average revenue growth in 2026-27 and beyond, and projects a surplus of \$13.1M in 2026-27 that grows to \$454.4M in 2029-30. It should be noted that the CAO's four-year outlook does not factor in the possibility of a recession and anticipates a return to average revenue growth, nor does it recognize any new Cost of Living Adjustments past the expiration of current labor deals or the impact of a credit rating downgrade.

The Mayor's Proposed Budget projects that the Reserve Fund will begin 2025-26 at \$484M, or 6.01 percent of General Fund Revenue, 1.01 percent above the five percent goal included in the City's financial policies. Rounding out the City's reserves are the Budget Stabilization Fund (BSF) (\$208M) and the Unappropriated Balance, Reserve for

Mid-Year Adjustments (\$30M). The City's total reserves will be \$723M on July 1, or 8.97 percent of General Fund revenues. This does not meet the City's goal of 10 percent of General Fund revenues included in the financial policies. Of note, the Proposed Budget does not include a transfer from the BSF, even though a \$32M withdrawal from the Fund would be permitted under the City's financial policies. A withdrawal from the BSF can be made when the cumulative growth of the City's seven economically sensitive General Fund tax revenues fall below the 20-year average of 4.1 percent. In 2025-26, these revenues are projected to only grow by 0.5 percent.

The Proposed Budget includes \$76M (or 0.94 percent of General Fund revenues) for capital and technology improvements and projects. This does not meet the City's Capital and Technology Improvement Expenditure Program (CTIEP) policy, which sets a goal of 1.5 percent of General Fund receipts for these projects annually. This is the second year in a row the City has not met the goals of this policy. In addition, the Proposed Budget defers a number of previously approved projects that are not underway, and sweeps capital funds from completed projects.

The Proposed Budget provides \$904.2M for homelessness-related programs, a 4.9 percent decrease from 2024-25. The main drivers of the reduction are the reduction in the Comprehensive Cleaning and Rapid Engagement (CARE) and CARE+ related funding as well as a reduction in Overtime in Interim Housing Sites for the Police Department. The homeless funding for Bureau of Sanitation is reduced due to the proposed elimination of CARE teams. There is also the deletion of a one-time \$12.3M for CARE vehicles that was provided last year. The Additional Homeless Services (\$17M) line item has not been continued in the Proposed Budget. The Proposed Budget, however, does include a new \$26.2M Citywide Homeless Interventions line item.

In 2024-25, the City allocated \$185.5M for the Inside Safe program, with an allocation of \$105.5M to the Homelessness Emergency Account and the remaining balance of \$80M appropriated to the Inside Safe Reserve account. In 2025-26, \$99.5M is proposed to be reappropriated from 2024-25. There is \$21.7M in a new General Fund allocation, and it contemplates \$35.2M from 2024-25 service cost reimbursements from the County-Alliance Memorandum of Understanding, and \$22.5M from State Encampment Resolution grant. The Proposed Budget does not include an Inside Safe Reserve Account.

The Proposed Budget provides a \$6.1M increase in Police and includes a \$103.8M increase for the Fire Department. The Proposed Budget includes funding to hire to a police force of 8,639 sworn officers. This is a reduction from the 8,878 included in the 2024-25 Adopted Budget. The Proposed Budget also includes the elimination of 403 civilian positions in the Police Department. The Proposed Budget includes funding for the Fire Department to hire and train 118 new firefighters in two new academy classes. In addition, the Proposed Budget provides 226 new resolution authorities in the Fire Department for a variety of new and expanded programs, including 67 positions in a new Homeless Fire Protection and Street Medicine Program. Funding is also provided for

Emergency Appointed Paramedics and to send up to 90 firefighters through paramedic training.

There are a number of potential issues the Council should consider during its deliberations. As noted above, Proposed Budget is largely balanced through cuts to the civilian workforce. These cuts are most acute in the Police, Transportation, Public Works, the Information Technology Agency, General Services, Personnel and Animal Services departments and the service impacts from these cuts are not apparent. Also, layoffs are most disruptive to new employees in entry-level classes, including those hired through the Bridge to Jobs and Targeted Local Hire programs.

The Mayor is actively seeking State assistance that may offset some of the reductions included in the Proposed Budget. It is unclear as of now if that is possible, but funds from the state would not be ongoing and it would not solve the City's structural problem, only push hard decisions down the road. Further, without legislative action from the State or a labor agreement, it would be unwise to pause the layoff process while awaiting the State's May Revision to the Governor's Budget. The layoff schedule included in the Proposed Budget is already ambitious, and any delays would increase costs to the General Fund by tens of millions of dollars each month. The City and its labor partners could also agree to other reductions or concessions to offset layoffs and implement needed structural reforms, but any real savings would require participation by the City's sworn labor partners.

Further, the Proposed Budget assumes revenue from an increase to the Solid Waste Fee will be effective by October 2025. While there is preliminary approval of the rate increases it is still going through the Proposition 218 process. Any delays will have significant impacts on the General Fund. Other Special Funds, such as Proposition A, are in structural deficit, which could further strain the General Fund which will be relied on to backstop the program.

Finally, the Proposed Budget includes a number of proposals for consolidation of departments and functional transfers in Exhibit H. None of these proposals are actually reflected in the departmental budgets. Given the significant changes, it may be more appropriate for Council to take up these policy proposals outside of the budget process, especially since these proposals seem to have little or no revenue impacts.

Considering the structural problems of the City, and the strong potential for increased economic uncertainty and the impacts of the reductions included in the Proposed Budget, the Council should exercise caution and make every effort to understand and minimize the impacts of cuts on residents while ensuring the City is in sound financial shape in the upcoming year and beyond.

Compliance with Financial Policies:

City Financial Policies		Mayor's Proposed Budget
Reserve Fund	The Reserve Fund shall be 5% of the General Fund Budget.	Compliant: Proposes a Reserve Fund of \$484.7M, which equates to a Reserve Fund rate of 6.01% of General Fund revenues.
Capital & Technology Infrastructure	To the extent possible, the City shall annually budget 1.5% of General Fund revenue to fund capital & technology infrastructure improvements.	Not Compliant: Provides 0.94% of General Fund revenue for capital and technology infrastructure projects (\$75.9M). Approximately \$45M would be needed for compliance.
One-time Revenue	To the extent possible, current operations will be funded by current revenues. The use of unencumbered prior year balances in all funds shall be scrutinized and carefully limited to be used primarily for one-time expenditures. One-time revenues will only be used for one-time expenditures.	Compliant: \$75.9M in one-time revenue is programmed in 2025-26. According to the CAO Supporting Documents, one-time expenditures totaling \$262.6M are included in the 2025-26 Proposed Budget.
Pension & Retirement Funding	When the required contribution rate falls significantly below the normal cost rate, the City will set aside the incremental rate amount for one-time expenditures only.	Not Applicable: A credit has not been earned; therefore, funding is not set aside in accordance with this policy.
Budget Stabilization Fund	This fund is intended to set aside savings during prosperous years and provide resources to help maintain service levels during lean years.	Compliant: The 2025-26 Proposed Budget could include a withdrawal from the Budget Stabilization Fund (BSF) up to \$31.6M. The Proposed Budget does not include a withdrawal from the BSF.
Debt Management	<p>This Policy guides the use of General Fund revenue to pay debt service. Debt should be used to finance essential capital assets with a useful life of six years or more. City operations, maintenance, or capital equipment with less than a six-year useful life should be funded with pay-as-you-go financing.</p> <p>The ratio of total debt service payments (including voter approved debt) shall not exceed 15% of General Fund revenues, and the ratio for non-voter approved debt, alone, shall not exceed 6%.</p>	Compliant: The 2025-26 Proposed Budget complies with this policy, inasmuch as proposed debt will result in a total debt ratio of 3.84% and a non-voter approved debt ratio of 2.46%.

Revenues

Revenue Outlook: According to the CAO's Revenue Outlook, the City's General Fund Revenue has experienced increased variability across its receipts, which has made it difficult to develop reliable revenue estimates for future years. In the past five years, these conditions stemming from a worldwide pandemic, business closures, travel restrictions,

supply chain disruptions, swings in the real estate market, 40-year high inflation, rapid federal reserve rate increases, peaks in energy prices, labor strikes, and changing consumer behavior and business operations have complicated revenue estimates.

The CAO also reports that at this time it is difficult to fully understand the potential impact of the January wildfires and windstorm and the policies of the current federal administration on the City's 2024-25 and 2025-26 revenues. As such, revised revenue estimates are primarily based on the trends in actual receipts, which may lag the economic conditions they reflect by a month, a quarter, or a year. The CAO notes that economic and industry-specific forecasts and other indices were used to estimate 2025-26 revenues; however, most forecasts predated the events that have opened this year. These unresolved conditions pose substantial risks to the City's current revenue projections, the region's long-term economic health, and the City's ability to sustain revenue growth and maintain fiscal stability.

The Los Angeles County Economic Development Corporation's estimated losses from the Palisades and Eaton fires, including property losses (from \$28.0B to \$53.8B), potential job losses (from 24,990 to 49,110), income losses (from \$1.9B to \$3.7B), and projected economic losses within the County for the next five years (\$8.9B), pose a long-term risk to the County's economic stability. With regards to tariffs, the Wall Street Journal's April 2025 survey of economists reduced the gross domestic product growth estimates, raised predictions for U.S. employment, increased the Consumer Price Index, and increased the probability of a recession to 45 percent from 22 percent. The Port of Los Angeles predicts a ten percent decrease in cargo traffic in the latter half of 2025 due to the proposed tariffs. Tourism industry consultants have reported an eight percent year-over-year decline in international arrivals for February 2025, predicting that an extended slowdown would impact hospitality and restaurants and their employees. In addition, aviation consultants have reported that February and March 2025 bookings for summer travel are down 12.8 percent nationwide and 17.1 percent for Los Angeles.

2024-25 Revised General Fund Revenue: The 2024-25 Adopted Budget of \$8.03B represented a four percent increase in ongoing revenues above the 2023-24 revised budget, equating to the 20-year average growth of four percent, reflecting modest growth assumptions during the transition period from pandemic recovery to an increased inflationary and high interest rate environment. The revised 2024-25 General Fund revenue is now estimated at \$7.92B, which denotes a \$111.8M, or 1.4 percent, reduction to the 2024-25 Adopted Budget revenue.

The following receipts positively impacted the Revised General Fund Revenue for 2024-25:

- \$20.5M increase in departmental receipts;
- \$17.7M increase in additional property tax receipts, based on assumptions for a higher May 2025 secured payment and the County Auditor-Controller's estimate for the June 2025 tax increment;

- \$13.5M increase in documentary transfer tax receipts with the improvement of the real estate market following the federal reserve's fall rate cuts;
- \$4.3M combined increase in electricity and communication users tax receipts; and
- \$1.3M increase in additional parking occupancy tax receipts.

The following receipts negatively impacted the Revised General Fund Revenue for 2024-25.

- \$59.2M combined decrease in business tax and sales tax receipts due to lower demand after an extended period of inflation;
- \$16.4M combined decrease in natural gas utility users tax and franchise income receipts due to larger-than-anticipated decline in natural gas prices;
- \$33.7M decrease in transient occupancy tax receipts due to the struggling tourism industry;
- \$46.4M in delayed reimbursements from the Federal Emergency Management Agency (FEMA) for COVID-19 response efforts;
- \$8.2M decrease of the Department of Water and Power (DWP) Power Revenue Fund transfer due to lower surplus operating receipts in 2023-24;
- \$3.5M decrease in interest earnings due to a lower General Fund cash balance;
- \$1.6M decrease in parking citation receipts due to increasing delinquencies; and
- \$1.2M decrease in residential development tax receipts likely due to higher construction financing costs.

2025-26 Proposed General Fund Revenue: The Proposed Budget estimates General Fund revenue of \$8.06B, which represents a \$28.6M increase, or 0.4 percent, from the 2024-25 Adopted Budget revenue estimate. The proposed amount also represents a larger increase of \$140.5M, or 1.8 percent, above revised revenue estimates for 2024-25. It should be noted that total growth is closer to 3.3 percent after excluding one-time receipts in the revised and proposed budget estimates, such as FEMA reimbursements for COVID-19 efforts.

The Proposed Budget includes \$75.9M in one-time revenue, of which \$30.3M is derived from grant receipts, including FEMA reimbursements for COVID-19 and other disaster response efforts. No reimbursements for the Palisades Fire are anticipated in 2025-26, and should funds be received, they would be deposited in the Disaster Assistance Trust Fund for disbursement. Other one-time receipts include: \$5.7M in Special Parking Revenue Fund surplus receipts; \$25M in solid waste collection company franchise income; and \$14.8M in sales proceeds from the sale of California Redevelopment Agency (CRA) property. No transfers from the Reserve Fund or Budget Stabilization Fund are included in the Proposed Budget.

Property Based Revenue (\$2.8B): The Proposed Budget estimates an increase of 2.2 percent from the current year's revised revenue estimate, reflecting a 4.1 percent growth in total assessed value for 2025-26. In future fiscal years, the Proposed Budget forecasts that property taxes will increase by 4.8 percent in 2026-27 to \$3B, then rise by 5.6 percent

in the three subsequent years to reach \$3.5B in 2029-30. It should be noted that the County Assessor is expected to release its estimate for property tax growth for the 2025 tax year in May 2025. The County Assessor's reported assessed value has been below average for the past two years. Growth in total 2025-26 property tax receipts is expected to be lower due to reduced assessments and delayed payments on fire-affected properties, impacting July and August 2025 collections for the 2024 tax year. Any resulting assessed value restorations or tax redemptions will likely occur in later years. The dissolution of the CRA, beginning in 2011, triggered the subsequent redistribution of former tax increment revenue to various taxing entities, including the City. The Proposed Budget anticipates that the City will receive \$168M in former CRA funds in 2025-26.

Documentary Transfer Tax (\$193.7M): The Proposed Budget for 2025-26 reflects an increase of \$24.9M over the 2024-25 Adopted Budget and \$11.4M, or 6.3 percent, above revised receipts, representing above-average growth. The 2025-26 Documentary Transfer Tax revenue projection is based on real estate industry forecasts for continued recovery in sales and volume, contingent on anticipated mortgage rate reductions. The Documentary Transfer Tax is the most volatile of City revenues as changes (growth or decline) are most pronounced when sales volume and prices move together. Downside risks remain should anticipated mortgage rate reductions not materialize or an economic downturn further reduces housing availability.

Transient Occupancy Tax (TOT) (\$315M): The Proposed Budget projects a \$5.9M increase (1.9 percent) in TOT receipts compared to the 2024-25 revised receipts. This includes a 1.9 percent (\$5.2M) increase from hotel activity and a two percent (\$0.7M) increase from short-term rentals. These projections are based on current trends and tourism industry forecasts, which anticipate lower growth due to economic uncertainty and reduced foreign tourism. It should be noted that there is no adjustment to tourism growth assumptions for the 2026 FIFA Men's World Cup or the 2028 Olympic and Paralympic Games.

Business Tax (\$805M): The Proposed Budget projects a \$10.9M (1.3 percent) decrease in business tax receipts compared to 2024-25 revised receipts. The decline in total business tax receipts is primarily attributed to reduced cannabis-related gross receipts and recent state legislation that lowers the calculation of taxable cannabis gross receipts. In 2025-26, no growth is projected for non-cannabis business tax receipts and cannabis business tax receipts are expected to decline consistent with post-pandemic trends.

Utility Users' Tax (\$702.5M): The Proposed Budget projects a \$19.4M (2.8 percent) increase in Utility Users' Tax receipts for 2025-26 compared to 2024-25 revised receipts. This increase represents a 2.7 percent (\$13.3M) increase in Electricity Users' Taxes and a 10.5 percent (\$9.1M) increase in Gas Users' Taxes, which are partially offset by a three percent decrease (-\$3.1M) in Communications Users' Tax. Electricity Users' Tax projections are provided by DWP based on billing estimates. Gas Users' Tax projects are based on U.S. Energy Information Administration forecasts and generally follow natural

gas prices. Communication Users' Tax receipts have been steadily declining due to decreased use of landline service and less expensive voice and text cellular options.

Sales Tax (\$647.5M): The Proposed Budget projects a \$5.4M (0.8 percent) decrease in sales tax receipts for 2025-26 compared to 2024-25 revised receipts of \$653M. This decline reflects decreasing consumer demand due to inflation, higher interest rates, and the increased use of online and third-party purchasing, which has shifted sales tax receipts away from the City. While the forecast anticipates a modest increase in inflation due to tariffs, there remains a downside risk if their impact is underestimated.

Departmental Receipts (\$1.6B): The 2025-26 Proposed Budget estimates departmental receipts of \$1.6B, a net increase of \$156.1M (10.8 percent) over 2024-25 revised receipts. This growth is largely driven by higher reimbursements and service-related receipts, including:

- \$57.9M from special fund reimbursements due to updated Cost Allocation Plan (CAP) rates and special fund available cash;
- \$48M from Solid Waste Fee reimbursements due to anticipated mid-year 2025-26 fee adjustments;
- \$32.7M for services to the Sewer Construction and Maintenance Fund from various departments;
- \$30.8M in Los Angeles County Metropolitan Transportation Authority (Metro) reimbursements based on enhanced service levels and billing schedules;
- \$21.5M for services to the Department of Water and Power (DWP) from various departments;
- \$15.1M from Recreation and Parks based on CAP and salary changes;
- \$12.2M from Street Lighting and Street Services projects funded by Gas Tax receipts;
- \$7.8M in Engineering permit revenues;
- \$3.8M for services to the Harbor Department by the Fire Department and City Attorney; and
- \$3.5M from Transportation Department preferential and off-street parking coordination.

These gains are partially offset by projected declines in:

- Ambulance billing revenue (-\$35M);
- Personnel Department funding for Workers' Compensation due to Airports transitioning to in-house administration (-\$11M);
- State mandates reimbursements (-\$9.8M);
- Services to Airports (-\$7M);
- General Services Department construction pass-through (-\$5.8M);
- Capital and Technology Improvement Expenditure Program (CTIEP) reimbursements (-\$4.5M);
- One-time reimbursements (-\$2.2M);
- City Attorney reimbursements (-\$2.2M);
- Services to Stormwater (-\$1.9M); and

- City Clerk election reimbursements now expected in the following fiscal year (-\$1.2M).

Parking Occupancy Tax (\$141.3M): Average growth of four percent is assumed for parking occupancy tax receipts, an increase of \$5.4M from 2024-25 revised receipts. While parking occupancy tax receipts were subject to significant decreases followed by recovery during pandemic-era closures and reopenings, they have been less vulnerable to recent changes in economic conditions. The parking occupancy tax receipts estimate for 2024-25 is based on the current trend in receipts, including those attributed to the prior fiscal year. 2025-26 and outgoing years assume growth in line with historical receipts.

Power Revenue Transfer (\$227.9M): The transfer from the Power Revenue Fund is set as a percentage of prior-year gross operating power revenue, not to exceed net income. The 2025-26 transfer will be subject to the approval of the Board of Water and Power Commissioners. The amount included in the 2025-26 Proposed Budget is \$227.9M, which is an \$8.6M increase from the 2024-25 transfer amount of \$219.3M.

Charter Amendment J requires DWP to submit its preliminary budget for the upcoming fiscal year to the City Council by March 31 to allow Council to consider the impacts of the DWP budget on the City. The Board of Water and Power Commissioners considered the 2025-26 Preliminary Budget on March 11, 2025. DWP's Preliminary Budget was transmitted to the City Council on March 13, 2025.

Fee Adjustments

Fees: The following departmental fee adjustments are included in the 2025-26 Proposed Budget:

- Cannabis Regulation: There are various proposed fee increases for the Department of Cannabis Regulation for commercial cannabis including application, licensing, inspection, and regulatory services fees to achieve full cost recovery. The Department transmitted its fee study to the Council on April 16, 2025. The fee study is currently pending before the Government Operations Committee (C.F. 25-0418). The Proposed Budget projects that adjustments to these fees, if approved, will generate \$5.9M in revenue.
- City Planning: Various planning-related fees include an annual inflation adjustment, which will be a 3.4 percent increase. Potential receipts from this inflation adjustment cannot be determined at this time.
- Fire:
 - Emergency Ambulance Services Fees: On April 15, 2025, the Board of Fire Commissioners approved increases to the Ambulance Transport Services Fees, which are estimated to generate \$18M in additional receipts. The Board transmitted the Fire Department's fee study to the Council on April

15, 2025. The fee study is currently pending before the Public Safety and Budget and Finance Committees (C.F. 25-0410).

- Public Works – Sanitation:
 - Stormwater Pollution Abatement Fund – Low Impact Development Review Fee: The Bureau of Sanitation is currently conducting a fee study to evaluate the appropriate development services fee for Low Impact Development plan check review to achieve full cost recovery. Recommendations from the fee study are expected in 2025-26 with an estimated \$0.35M in additional receipts.
 - Solid Waste Resources Fees: On April 11, 2025, the Council approved the initiation of increases to the Solid Resources Fees over a five-year period. The proposed adjustments must go through the Proposition 218 notice and protest process. The Proposed Budget assumes implementation of the new fees in October 2025 with an estimated \$100.4M in additional revenue in 2025-26.
 - Extra Capacity Refuse Collection Fees: On April 11, 2025, the Council approved the initiation of increases to Extra Capacity Refuse Collection Fees over a five-year period. The proposed adjustments must go through the Proposition 218 notice and protest process. The Proposed Budget assumes implementation of the new fees in October 2025 with an estimated \$0.03M in additional revenue.
 - Multi-Family Bulky Item Fees: On April 11, 2025, the Council approved the initiation of increases to Multi-Family Bulky Item Fees over a five-year period. The proposed adjustments must go through the Proposition 218 notice and protest process. The Proposed Budget assumes implementation of the new fees in October 2025 with an estimated \$4.9M in additional revenue.

Fees – Not Full Cost Recovery: The CAO's Supporting Information identifies a total of 26 licenses, fees, and permits that are not full cost recovery in the following departments:

- Animal Services (7);
- City Planning (1);
- Housing (1);
- Cultural Affairs (4);
- El Pueblo (3);
- Board of Public Works (2);
- Bureau of Street Services (4); and
- Transportation (4).

Special Fund Subsidies – Not Fully Reimbursed: The Special Fund Subsidy Policy states that the goal for special funds is to fully reimburse the General Fund for all direct expenditures and related costs provided to support their programs. There are a number

of special funds that do not fully reimburse related costs based on current proposed reimbursements, including the following:

- Local Public Safety Fund (\$80.9M)
- Street Lighting Maintenance Assessment Fund (\$21M)
- Solid Waste Resources Revenue Fund (\$72.4M)
- Stormwater Pollution Abatement Fund (\$19.9M)
- Planning Case Processing Special Fund (\$18.7M)
- Planning Long-Range Planning (\$5.4M)
- Street Damage Restoration Fee Special Fund (\$8.6M)
- Zoo Enterprise Revenue Fund (\$20.4M)

City Reserves

The City maintains its reserves in a number of funds, made up of the Reserve Fund (consisting of the Contingency Reserve and the Emergency Reserve), the Budget Stabilization Fund, and the Reserve for Mid-Year Adjustment account in the Unappropriated Balance. The goal is to have total reserves of 10 percent of General Fund Revenues. The chart below outlines the Proposed Budget’s reserves, as compared to the actual allocations in the 2024-25 fiscal year:

Fund	FY 2024-25 Adopted	FY 2024-25 Actual on July 1, 2024	Mayor’s Proposed 2025-26 Budget
Reserve Fund			
• <i>Contingency Reserve</i>	\$186M	\$109.7M	\$263M
• <i>Emergency Reserve</i>	\$220.9M	\$220.9M	\$221.7M
RESERVE FUND TOTAL	\$406.9M	\$330.6M	\$484.7M
<i>Reserve Fund % of GF Revenues</i>	<i>5.07%</i>	<i>4.12%</i>	<i>6.01%</i>
Budget Stabilization Fund (BSF)			
• BSF Deposit	-	-	-
BSF BALANCE	\$202.4M	\$202.7M	\$208.1M
Unappropriated Balance (UB)			
• <i>Reserve for Mid-Year Adjustments</i>	<i>\$59.4M</i>	<i>\$59.4M</i>	<i>\$30M</i>
• UB RESERVES TOTAL	\$59.4M	\$59.4M	\$30M
TOTAL RESERVES	\$668.7M	\$592.7M	\$722.8M
<i>Total Reserves % of GF Revenue</i>	<i>8.29%</i>	<i>7.38%</i>	<i>8.97%</i>

The BSF policy permits a withdrawal from the BSF during the annual budget process to maintain service levels in the upcoming 2025-26 Budget. However, the Proposed Budget does not include one. A withdrawal is permitted because the cumulative growth of the City’s seven economically sensitive General Fund tax revenues is 0.5 percent, which is

3.6 percent below the 20-year average of 4.1 percent. Therefore, the City may take a withdrawal equal to 15 percent of the value below the expected amount of revenues, which would equate to \$31.6M.

Policy Considerations

Exhibit H - Required Ordinance Changes and Other Budgetary Actions: Exhibit H outlines actions necessary to be taken by the Council and Mayor in order to implement the Proposed Budget. In past years, the Proposed Budget has also included instructions in Exhibit H and proposals on policy matters for which Council has already taken action or that may require further refinement and discussion in a Council Policy Committee and full Council prior to endorsement.

Notable instructions in Exhibit H of the 2025-26 Proposed Budget include the following instructions and requests for Ordinance changes:

Fiscal Emergency Declaration

- Request the City Attorney to prepare a resolution declaring a fiscal emergency for 2025-26 to document the factors that led to the need for layoffs and to withhold the annual appropriation to the Public Matching Campaign Funds Trust Fund as required by the City Charter;

Proposed Departmental Consolidations and Functional Transfers

- Exhibit H includes an attachment proposing a consolidation of the Departments of Aging, Economic Workforce Development and Youth Development within the Community Investment for Families Department. Consolidations of this magnitude and importance represent a significant policy discussion and it may be more appropriate for Council to take up these policy proposals outside of the budget process
- Request the City Attorney to prepare ordinances to effectuate the following functional transfers (the actual functional transfer of these duties, personnel, and funding are not included in the Proposed Budgets for the impacted departments and further Council action would be required to implement these changes):
 - Transfer three positions from the CAO's Procurement Division to the Bureau of Contract Administration's Contract Compliance Program;
 - Transfer oil regulation functions from the Board of Public Works to the City Planning Department, and transfer four positions from the Board of Public Works Petroleum and Natural Gas Administration and Safety Program to the City Planning Department Geographic Project Planning Program; and
 - Transfer the Office of Forest Management, consisting of two positions, from the Board of Public Works to the Bureau of Street Services Urban Forestry Division.
- Instruct the Departments of Building and Safety and City Planning to execute a Memorandum of Agreement for the functional transfer of the Zoning Review

Program from the Department of Building and Safety to the Department of City Planning

Proposed Deletions

- Request the City Attorney to prepare ordinances to:
 - Rescind Administrative Code sections regarding the Innovation fund and the Innovation and Performance Commission;
 - Rescind Administrative Code sections related to the Climate Emergency Mobilization Office and Climate Emergency Mobilization Commission to effectuate their deletion;
 - Effectuate the deletion of:
 - The Commission for Community and Family Services and consolidate its responsibilities under the Community Action Agency - Community Action Board;
 - The Affordable Housing Commission and consolidate its responsibilities under the Rent Adjustment Commission; and
 - The Health Commission.

Zoo Admission Fee Adjustment

- Request the City Attorney to prepare an ordinance to:
 - Increase the Los Angeles Zoo admission fee by \$5 effective July 1, 2025;

Tax and Revenue Anticipation Notes

- Authorize the issuance of an amount not-to-exceed \$1.7B in Tax and Revenue Anticipation Notes to address short-term cash flow needs and to make the full annual contribution payments to LACERS and Los Angeles Fire and Police Pensions;

General Instructions to City Departments

- Instruct all fee generating departments to provide an assessment on fee increases;
- Request that first consideration for any employment opportunities be given to existing City staff impacted by the elimination of positions;
- Instruct all departments to prioritize planning and preparation for the 2028 Olympic and Paralympic Games;
- Instruct the CAO to report with recommendations to consolidate or eliminate duplicative or overlapping City commissions and boards;
- Instruct the CAO to negotiate:
 - A \$7.7M work plan for the Bureau of Street Lighting to provide services and expertise for Department of Water and Power work;
 - A \$7M work plan for the Bureau of Street Services to provide services and expertise for Department of Water and Power work;
- Instruct the Fire Chief to consolidate the Equity Bureau into the Professional Standards Division;

- Instruct the General Services Department to eliminate the 11 percent overhead rate billed to user departments for construction activities;
- Instruct the General Services Department to report on options to optimize the use of City facilities and reduce leased space in light of telecommuting options to achieve cost savings;
- Instruct the Personnel Department to take action to identify and remove ineligible dependents from City employee health care plans; and
- Instruct the Bureau of Sanitation to report on fee studies to achieve full cost recovery for the Watershed Protection Program - Low Impact Development Review Fee.

Functional Transfers: The Proposed Budget includes recommendations in Exhibit H that, if approved by Council, would transfer some responsibilities/functions between departments. These transfers will also reflect a reduction in staff for these functions and the impact of these recommendations is unclear at this time. These include:

- Implement the functional transfer of the duties and personnel of the CAO's Office of Procurement to the Bureau of Contract Administration's Contract Compliance Program;
- Implement the functional transfer of the Zoning Review Program from the Department of Building and Safety to the Department of City Planning

However, the actual functional transfer of these duties and personnel is not included in the Proposed Budgets for the impacted departments and further Council action would be required to implement these changes.

State Funding: The State Budget as currently proposed does not include any issues of significant concern to local governments. The Governor will release a revised budget anticipated in mid-May (the May Revise). This is the document that will receive the greatest attention in Sacramento and has the potential to include additional matters that could affect local governments.

The Governor's 2025-26 Budget Proposal anticipates a balanced budget, with a surplus of \$363M. Top proposals from the Governor's 2025-26 Budget Proposal include the creation of two new state agencies, including a new Housing and Homelessness Agency and a new Consumer Protection Agency, additional funding to clear homeless encampments, expansion of the state's film tax credit, and funding from the recently passed climate and education bonds.

It is anticipated that a State Budget will be adopted by the June 15, 2025 constitutionally mandated deadline, but funding decisions are expected to be provisional. City staff will monitor the May Revise and report potential issues that could affect the City budget at that time and as the Legislature conducts its review. Of particular interest will be any funding cuts stemming from funding provided by the Federal government, which will inform budget negotiations surrounding the State Budget moving forward.

The Mayor has also traveled to Sacramento to lobby the governor and state legislature for a relief package for the City to minimize the impacts of the Proposed Budget.

Position Adjustments

Changes in Net Positions: The 2025-26 Proposed Budget deletes a net 1,978 regular authority positions and does not continue a net 247 resolution authority positions. The departments that incur the largest number of regular authority positions proposed for deletion include: General Services (218); Police (403); Bureau of Street Services (196); and Transportation (330).

Resolution authority positions are typically provided for programs with a limited duration and are reviewed annually for continuation. A portion of discontinued resolution authority positions are proposed to be converted to regular authority positions.

Partially Funded/Unfunded Positions: The 2025-26 Proposed Budget includes 461 partially funded and unfunded positions; 421 have partial funding, while the remaining 40 are authorized without funding. In prior years, new positions were provided nine-months funding because it is assumed that the positions cannot be filled immediately on July 1. Generally, the Proposed Budget provides nine-months funding for new special funded positions and new General Fund positions. However, three positions at the Bureau of Contract Administration were provided with three-months funding; and at the Department of Recreation and Parks, one position was provided with 11-months funding, four positions were provided with seven-months funding, and one position was provided with one-month funding.

Deletion of Filled Positions: The 2025-26 Proposed Budget recommends the deletion of 1,647 filled positions, which includes both regular and resolution authority positions. Attachment 1 to this report includes a table prepared by the CAO from the 2025-26 Supporting Information book that outlines the proposed deletion of positions across departments. The net direct cost savings from the elimination of these filled positions is \$114M. The deletion of a filled position may not necessarily result in a layoff for various reasons, including but not limited to: (1) department may be able to absorb the position within their departmental vacancies; (2) department is able to identify a position that is funded with special or other funds; (3) a filled position may have become vacant since the drafting of the Proposed Budget; or (4) transfer to another department with vacancy. While there is a potential layoff of up to 1,647 positions, the actual number will likely be less, absent other solutions.

Targeted Local Hire: The Targeted Local Hire (TLH) Program seeks to target and recruit individuals from vulnerable populations and help provide an alternate pathway into civil service employment. The TLH Program utilizes a six-month on-the-job training period to train employees to perform at the level of an entry-level civil service classification into which they will eventually transition. TLH candidates will serve in one of the following civil

service probationary classifications before transitioning to a civil service classification: Administrative Clerk, Animal Care Technician, Animal License Canvasser, Custodian, Delivery Driver, Garage Attendant, Gardener Caretaker, Maintenance Laborer, Street Services Worker, Tree Surgeon Assistant, and Warehouse and Toolroom Worker.

Many of the positions deleted in the Proposed Budget are in the classifications that are typically hired by the TLH and Bridge to Jobs Programs and the ability to hire through TLH and Bridge to Jobs may be greatly impacted.

As of March 31, 2025, 1,310 employees have been hired through the TLH Program since 2020-21, including 99 in the current fiscal year. The top-hiring departments in 2024-25, are as follows:

- Airports (17);
- Recreation and Parks (12);
- Police (10);
- Housing (9); and
- Harbor (8).

Bridge to Jobs: The Bridge to Jobs (BRIDGE) Program seeks to target and recruit individuals from vulnerable populations and help provide an alternate pathway into civil service employment. These positions are full-time, paid, and provide on-the-job training. The main difference between this program and the TLH Program is that the BRIDGE Program seeks to hire individuals to semi-skilled classifications. These classifications include: Accounting Clerk Trainee, Communications Information Representative Trainee, Community Services Representative Trainee, Customer Service Specialist Trainee, Electrical Craft Helper Trainee, Field Engineering Aide Trainee, Maintenance and Construction Worker Trainee, Cement Finisher Worker Trainee, Traffic Painter and Sign Poster Trainee, Inspector Trainee, or Investigator Trainee.

Candidates hired through the BRIDGE Program are appointed to a training classification and are exempt from civil service during this period. All trainees hired through the BRIDGE Program must successfully complete the on-the-job training period in order to move forward to the applicable “Assistant” classification. Upon appointment to the applicable “Assistant” classification, individuals will need to complete a six-month civil service probationary period before transitioning to full time civil service employment.

Since 2021-22, 457 employees have been hired through the BRIDGE Program, including 116 in the current fiscal year. The top-hiring departments in 2024-25 are as follows:

- Airports (45);
- Transportation (26);
- Police (10);
- Contract Administration (8); and
- Harbor (7).

Expenditures - Significant Issues

Other Efficiencies and Reductions: The Proposed Budget includes a reduction of \$197.4M resulting from Efficiencies to Services with the largest reductions in Police (-\$42.4M), Street Services (-\$36.9M), Transportation (-\$20M), General Services (-\$14.9M), Information Technology Agency (-\$9.2M), City Planning (-\$8.5M), and Personnel (-\$8.3M). These savings due to efficiencies are largely driven by the elimination of vacant positions and expense account reductions.

The Proposed Budget includes a decrease of \$83M in Reduced Services, with the largest reductions in Police (-\$28.4M), Transportation (-\$9.9M), Street Services (-\$7.2M), General Services (-\$6.4M), Engineering (-\$6.3M), Personnel (-\$4.7M), and the Information Technology Agency (-\$4.4M). The largest driver of savings resulting from reduced services is the elimination of filled positions.

Potentially Underfunded Accounts: There are various accounts that may not have been allocated sufficient funding based on current expenditure patterns, as follows:

- Liability Claims: Funding (\$187.4M) may be insufficient as projected spending in 2024-25 exceeds \$280M.
- City Attorney – Litigation: Funding (\$7.9M) may be insufficient if continued increased costs for legal expenses persist.
- City Attorney – Outside Counsel: Funding (\$5.9M) may be insufficient as projected spending in 2024-25 exceeds \$13.4M.
- Community Investment for Families – Contractual Services: Funding (\$28.6M) may be insufficient if there are continued increases in FamilySource System, Survivor Services System, Citywide Language Access Program, and outreach services for the Children’s Savings Account Program.
- Information Technology Agency – Communications Services: Funding (\$13.5M) may be insufficient if there is continued increase in cost to perform communication services work for various projects, such as communication equipment installation and routine installation, repair, upgrades, and maintenance on the City’s data network, cable, alarm systems, and communication networks.
- General Services – Contractual Services: Funding (\$26.5M) may be insufficient if there are continued increases in custodial services and building maintenance needs.
- Board of Public Works – Contractual Services: Funding (\$14.8M) may be insufficient if there is a continued increase in work cost due to graffiti, community clean-up activities, and homeless encampment clean-ups.
- Finance – Contractual Services: Funding (\$4M) may be insufficient if there are continued increases in costs for the LATAX system support services and mailing and postage fees and inflationary cost increases for ongoing licenses, fees, and supplies.

Newly Funded Initiatives: Direct cost funding (\$24.5M) for new initiatives is included in the Proposed Budget, as follows:

- Building and Safety:
 - Multi-Unit Residential Inspection Case Management (\$0.7M)
- Civil, Human Rights, & Equity:
 - Civil Rights Enforcement Case Management (\$0.04M)
- Cultural Affairs:
 - Festivals and Performances Coordinator (\$0.05M)
 - Cultural Olympiad Planning (\$0.1M)
- Fire:
 - Homeless Fire Protection and Street Medicine Program (\$7.2M)
 - Airport Fire Inspectors (\$0.4M)
 - Los Angeles World Airports Paramedic Cycle Teams (\$1.1M)
 - Aircraft Rescue and Firefighting Mechanic (\$0.08M)
 - Los Angeles World Airports Administrative Support (\$0.06M)
- Library:
 - Workplace Violence Prevention Administration (\$0.05M)
 - Integrated Library System Support Team (\$0.07M)
 - Digitization of Board of Library Commissioners' Records (\$0.05M)
- Personnel:
 - Commuter Management System (\$0.3M)
- Police:
 - Vehicle Recycling Program (\$3M)
- Bureau of Contract Administration:
 - Convention Center Special Projects (\$0.09M)
 - United to House LA Compliance Monitoring (\$0.2M)
- Bureau of Sanitation:
 - Membrane Bioreactor Facility Support (\$0.5M)
 - recycLA Expenses (\$2.2M)
 - Comprehensive Plastics Reduction Enforcement (\$0.07M)
 - Clean Water Program Technology Support (\$0.01M)
 - Program Management System (\$0.9M)
- Bureau of Street Lighting:
 - Urban Transit Amenities Support (\$0.5M)
- Transportation:
 - Advanced Planning and Project Development (\$0.3M)
 - 2028 Games Paint and Sign Support (\$2.2M)
- Zoo:
 - Support Services Contracts (\$2M)
 - Oak Woodland Restoration Staff Support (\$0.04M)
 - Marketing Support (\$0.9M)
 - Fundraising Program (\$0.4M)
 - Website Development and Maintenance Fees (\$0.6M)
 - Publications Support (\$0.4M)

Liability Claims/Judgment Obligation Bonds: The Proposed Budget increases the amount for liability claims from 2024-25 by \$100M for a total amount of \$187.4M. Of this amount, \$180M is from the General Fund, \$2M is from the Solid Waste Resources Revenue Fund, and \$5.4M is from the Sewer Operations and Maintenance Fund. The Proposed Budget also sets aside an additional allocation in the Unappropriated Balance, Reserve for Extraordinary Liability (\$20M) should liabilities exceed the budgeted allocation.

Homelessness: The Proposed Budget provides \$904.2M for homelessness-related programs, which is a 4.9 percent decrease from the 2024-25 Adopted Budget of \$951.1M. This includes \$302.8M in General Fund and \$601.5M in Special Funds.

The Proposed Budget provides LAHSA with \$50.6M, an increase in funding of \$7.9M from 2024-25. Significant changes in funding provided to LAHSA are as follows:

- Shelter and Housing Interventions (\$27.6M): There is an increase of approximately \$10.7M for the Shelter and Housing Interventions category due to the newly adopted rates for the adult interim housing portfolio.
- Street Strategies (\$16.2M): There is a slight decrease of approximately \$2.2M for the Street Strategies category due to reductions based on expenditure trends for Navigation Centers, Mobile Showers, and Involuntary Storage.

The Proposed Budget provides new funding for the following homelessness-related programs and services:

- Homeless Fire Protection and Street Medicine Program (\$7.2M): Funding is provided for 67 positions to provide fire protection, enforcement, and medical care for individuals experiencing homelessness.
- Homelessness Intervention Leasing (\$5M): Funding is provided for leasing costs of sites for homelessness related services.
- Property Management Services for Mayfair Hotel (\$3.6M): Funding is provided for administrative services, utility expenses, maintenance and operations, materials and contracted expenses at the Mayfair Hotel.
- Alliance Settlement (\$3.9M): Funding is provided for homelessness services and operations to meet obligations set by the Alliance Settlement.
- Citywide Homeless Interventions (Non-Alliance) (\$26.2M): Funding is provided to continue existing interim housing interventions.

The Proposed Budget continues or increases funding for the following homelessness-related programs and services:

- Homelessness Emergency (Inside Safe) (\$178.9M): Funding is provided to the Mayor's Office of Housing and Homelessness Solutions to address homelessness, including the Inside Safe Initiative, a -\$6.6M (3.5 percent) decrease from the 2024-25 Adopted Budget of \$185.5M. There is \$21.7M in new funding, \$35.2M in 2024-25 service cost reimbursements from the County-Alliance Memorandum of Understanding, \$22.5M in State Encampment Resolution grant funds, and \$99.5M

in reappropriation of the 2024-25 balance, \$75M of which is for outstanding obligations incurred in 2024-25 and \$24.5M to support 2025-26 costs.

- Survivor Services System (\$8.2M): Funding is continued for the Domestic Violence and Human Trafficking Shelter Operations Program and supportive services. The proposed amount reflects anticipated salary expenditures, wage increases for agencies, and backfilling survivor services impacted by the Victims of Crime Act funding cuts.
- Solid Ground Program (\$4.7M): Funding is provided for the homelessness prevention program to provide homelessness prevention services at the 19 FamilySource Centers.
- Eviction Defense Program (\$0.4M): Increased funding is provided to administer the Eviction Defense Program. The proposed increase reflects anticipated salary expenditures.
- Street Medicine (\$2M): One-time funding is provided to fund medical services for individuals experiencing homelessness who are unable to visit brick-and-mortar medical establishments.
- CIRCLE 24/7 Homelessness Crisis Response Pilot (\$8M): Funding is continued for CIRCLE to provide community-based response to non-violent emergencies involving people experiencing homelessness.
- Acquisition and Rehabilitation of Affordable Housing (\$41.2M): Funds are provided for the acquisition, preservation, rehabilitation, lease, or operation of existing housing either without existing covenants requiring affordability or with existing covenants that will expire within 10 years of project onset.
- Eviction Defense/Prevention (\$41.2M): Funding is provided for a right-to-counsel program to provide housing-related legal services to low-income tenants threatened with eviction. Funding is provided by United to House LA as approved by the Citizen Oversight Committee, Council, and Mayor.
- Income Support for Rent-Burdened At-Risk Seniors and Persons with Disabilities (\$47.8M): Funding is provided for income assistance to rent-burdened, acutely, extremely, and very low-income households, including seniors and/or individuals with disabilities, at risk of becoming homeless. Funding is provided by United to House LA as approved by the Citizen Oversight Committee, Council, and Mayor.
- Protection from Tenant Harassment (\$8.2M): Funding is provided for non-profit organizations and City services to monitor and enforce protections against tenant harassment and other tenant rights. Funding is provided by United to House LA as approved by the Citizen Oversight Committee, Council, and Mayor.
- Tenant Outreach and Education (\$8.2M): Funding is provided for tenant outreach, education, and navigation services. Funding is provided by United to House LA as approved by the Citizen Oversight Committee, Council, and Mayor.

The Proposed Budget decreases or discontinues funding for the following homelessness-related programs and services:

- Older Workers Employment Program (\$0.6M): Funding is continued for part-time, work-based training opportunities at local community service agencies for older

unemployed individuals. There is a proposed decrease of \$0.1M which reflects eliminations of positions that support this program.

- FamilySource Centers (\$3.6M): Funding is provided for emergency housing assistance and supportive services at 19 FamilySource Centers. There is a proposed decrease of \$0.2M which reflects a reduction in the level of services provided.
- Los Angeles Regional Initiative for Social Enterprise (LA:RISE) (\$2.7M): Funding is continued for LA:RISE which provides job development activities for people experiencing homelessness. There is a proposed decrease of \$0.3M which reflects the anticipated expenditures due to a reduction in the level of services provided.
- Department on Disability Community Services Coordinator (\$0.02M): Funding was provided to connect people with disabilities who are experiencing homelessness or at-risk of homelessness with relevant resources. There is a proposed decrease of \$0.06M which reflects the discontinuation of a position that supported this program.
- Proposition HHH Program Staff (\$0.4M): Funding is provided for positions to provide underwriting support for the Proposition HHH Program. There is a proposed decrease of \$0.5M which reflects fewer positions needed as Proposition HHH program begins to wind down.
- LAHSA Homeless Engagement Team (HET) – UB (\$3.3M): Funding is set aside for HETs to conduct direct outreach to unsheltered homeless individuals, pending a deployment plan for the HETS. There is a proposed decrease of \$0.8M which reflects savings due to vacancies and reduction in the number of teams.
- LAHSA System Navigators – UB (\$0.5M): Funding is set aside for System Navigators to provide system navigation services and conduct direct outreach to unsheltered homeless individuals, pending a report on deployment progress. There is a proposed decrease of \$0.1M which reflects savings due to vacancies.
- Mobile Hygiene Centers Program (\$3.8M): Funding is provided to provide hygiene facilities for homeless individuals in addition to expense funding for community-based organization services, tow vehicle rental, and program expenses. There is a proposed decrease of \$0.3M which reflects anticipated program expenditures due to a reduction in the level of services provided.
- Kids First Program (-\$0.5M): Funding was provided for contractual services to help improve educational outcomes of housing insecure students and their families by providing assistance. This funding is not continued.
- Midnight Stroll Transgender Café (-\$0.1M): Funding was provided to support a safe haven for unsheltered transgender individuals in Hollywood between the hours of 9 p.m. and 7 a.m. This funding is not continued.
- Overtime for Interim Homeless Housing Sites (-\$8.4M): Funding was provided to the Overtime Sworn Account for security patrols within the vicinity of interim housing shelter sites. This funding is not continued.
- Regional Storage Facilities (-\$3.6M): Funding was provided on a one-time basis for 28 positions to establish regional storage facilities at three locations. This funding is not continued.

- Inside Safe Response Bus Services (-\$0.3M): Funding was provided on a one-time basis for transportation relocation services as part of the Inside Safe Initiative. This funding is not continued.
- Additional Homeless Services (-\$17M): Funding was provided as a one-time allocation in equal amounts to all 15 Council District to fund gaps in the City's efforts to address homelessness. This funding is not continued.
- Unified Homeless Response Center Data Project (-\$0.02M): Funding was provided for licensing costs associated with integrated platform to collect homelessness and encampment data. Funding is not continued.

The Proposed Budget decreases or discontinues funding for the following Comprehensive Cleaning and Rapid Engagement (CARE and CARE+) related programs and services:

- Comprehensive Cleaning and Rapid Engagement (CARE and CARE+) Outreach Team (\$30.3M): Funding is provided for 186 positions to staff 14 CARE+ teams to keep the City's sidewalks and other public areas safe, clean, sanitary, and accessible for public use. There is a proposed decrease of \$11M which reflects the discontinuation of 97 positions and anticipated salary and program expenditures due to the elimination of CARE teams and services.
- Coastal CARE+ Team (\$0.4M): Funding is provided for one CARE+ Team to service the coastal area, including Venice, Pacific Palisades, Playa del Rey, and Playa Vista. There is a proposed decrease of \$0.3M which reflects discontinuation of three positions and anticipated salary expenditures.
- CARE+ Expansion Second Shift Team (\$0.6M): Funding is provided for an additional CARE+ team on a second shift. There is a proposed decrease of \$0.3M which reflects the discontinuation of five positions and anticipated salary expenditures.
- CARE and CARE+ Administrative Program Support (\$0.3M): Funding is provided for administrative and program support for the CARE+ teams. There is a proposed decrease of \$1.1M which reflects discontinuation of 13 positions and anticipated salary and expense expenditures.
- CARE and CARE+ Program Support (\$2.6M): Funding is provided to hazardous waste removal services and vehicle rentals for the CARE+ teams. There is a proposed decrease of \$8.3M which reflects discontinuation of three positions and program expenditures due to reduction in the level of services provided.
- Hollywood CARE+ (\$0.7M): Funding is provided for one CARE+ team to service three Council Districts in the Hollywood area. There is a proposed decrease of \$0.4M which reflects the discontinuation of four vacant positions and anticipated salary and program expenditures due to a reduction in the level of services provided.
- Comprehensive Cleaning and Rapid Engagement Program (CARE) Information Services Oversight (-\$0.1M): Funding was provided on a one-time basis to oversee the CARE Program's digital data collection, service tracking, and reporting and other Livability Services data programs. This funding is not continued.

- Bureau of Sanitation CARE Vehicle Purchase (-\$12.3M): Funding was provided on a one-time basis to purchase vehicles to support the CARE programs. Funding is not continued.

Significant changes in the Proposed Budget for homelessness funding in State and Federal grants are as follows:

- Emergency Stabilization Beds (\$24.2M): Funding is provided by the State for the purchase and construction of emergency stabilization beds. This funding is rolled over from 2024-25.
- Encampment Resolution Grant (\$68.2M): One-time grant to connect people experiencing homelessness in encampments to interim shelter to permanent housing. The grant has been awarded to the following projects:
 - Arroyo Seco (\$6.3M);
 - Ballona (\$1.8M);
 - Hollywood (\$7.1M);
 - L.A. River (\$4M);
 - San Fernando Osbourne (\$3.8M); and
 - 10 Freeway (\$45.2M).
- Homeless Housing, Assistance and Prevention Program (HHAP) Round 5 (\$164.3M): HHAP is a one-time State grant. HHAP 5 will be used to support ongoing programs such as interim housing operations, outreach, public health services, hygiene facilities, programs for youth experiencing homelessness, housing navigation, and other service. HHAP 5 will be reappropriated from 2024-24 into 2025-26.
- Homeless Housing, Assistance and Prevention Program (HHAP) Round 6 (\$71.8M): The City will be applying for the sixth round of HHAP which will be used for continuation of programs funded by HHAP 5.
- ARP – Homekey Funding 2.0 and 3.0 Permanent Supportive Housing (\$10.5M): Funding is provided for property acquisitions, closing costs, due diligence, property management, and rehabilitation of Project Homekey 2.0 and 3.0 sites.
- State/Federal Grants and Other Local Funds (\$24.5M): Funding is continued from the HOME Investment Partnerships Program Fund (\$12.3M), Housing Opportunities for Persons with AIDS (\$0.5M), State Senate Bill 2 (\$7.3M), Affordable Housing Linkage Fee Funding (\$1.2M), and other local funds (\$3.2M) to gap finance the development of Non-Prop HHH supportive housing units.

Capital and Technology Improvement Expenditure Program: Existing policy recommends that the City annually budget 1.5 percent of General Fund revenue to fund capital infrastructure improvements. For 2025-26, the General Fund revenues are projected to be \$8B, resulting in a 1.5 percent target totaling \$120.1M. The 2025-26 Proposed Budget provides \$38.5M from the General Fund for various municipal facilities projects in the CTIEP. An additional \$12.6M is allocated for sidewalk repairs, \$23.7M for the Pavement Preservation Program, and \$1.1M for other infrastructure expenditures. The total General Fund amount allocated for capital and infrastructure improvements is

\$75.9M or 0.94 percent, which is not compliant with the 1.5 percent threshold as recommended by existing policy for the CTIEP.

Numerous Council-initiated projects are either closed out or deferred. As a result of reduced staffing and funding availability, project readiness, and funding priorities within the Proposed Budget, the Proposed Budget defers 73 Citywide and Council District-specific Physical Plant projects and two Citywide Municipal Facility projects within the CTIEP.

Clean Water CTIEP: \$709.4M in CTIEP funding is included for Clean Water projects. The Clean Water CTIEP is funded entirely from Clean Water System revenues, including the Sewer Service Charge (SSC) that gives a portion of the revenues to CTIEP. Current major capital projects include: construction of various sewer conveyance system projects (\$137.8M); Advanced Water Purification Facility system and improvements at the Donald C. Tillman Water Reclamation Plant (\$382.2M), Hyperion (\$59.4M) and Terminal Island Water Reclamation Plants (\$31.9M); and capital equipment replacement at the water reclamation plants and laboratory facilities (\$61.3M).

Municipal Facilities CTIEP: The total 2025-26 program cost for municipal facilities capital improvements is \$144.8M, consisting of \$20.8M in General Fund appropriations, \$2.7M in Special Fund appropriations, and \$121.3M in Municipal Improvement Corporation of Los Angeles (MICLA) financing for various projects.

Continuing municipal facilities capital projects include: critical infrastructure repairs and improvements to address maintenance, health and safety issues (e.g., roof repair, lead paint removal, fire/life-safety system upgrades, etc.); maintenance of systems critical to support the operation of facilities operated by the Fire Department, Police Department, and Animal Services Department; and the capital repair programs for the Figueroa Plaza Buildings, Public Works Building, Van Nuys Civic Center, Cultural Affairs, El Pueblo, Zoo, and cultural facilities operated by the Department of Cultural Affairs.

The Municipal Facilities CTIEP provides funding for the following projects, among others:

- Equity Investments – Funding to support the implementation of social equity objectives within disadvantaged communities of low opportunity:
 - Balboa Aquatic Center Phase I (\$5M);
 - Contaminated Soil Removal and Mitigation (\$1.6M);
 - El Pueblo Master Plan (\$0.5M);
 - Manchester Junior Arts Center (\$3.6M) (also categorized as a Green Investment);
 - Warner Grand Theater (\$0.3M);
 - Lankershim Arts Center Phase III (\$1M);
 - Slauson Connect Recreation Center (\$2M);
 - Northridge Metrolink Station Electric Bus Chargers (\$0.4M);
 - Reseda Skate Facility (\$3M); and

- Capital Program – Mayfair Hotel (\$1.9M).
- Green Investment and Greenhouse Gas Emissions Reduction – Funding to support climate goals within Citywide and regional programs:
 - Electric Vehicle (EV) Charger Infrastructure (\$4.5M);
 - Police Build out of E-Bike Infrastructure (\$0.8M); and
 - Washington Yard Electrification and Microgrid Project (\$6M).
- Public Safety Facilities Projects
 - Fire Installation of New Elevator (\$0.4M);
 - North Mariana Parking Improvements (\$1.5M);
 - Police Davis Firing Range Air Circulation (\$0.5M); and
 - Police Replacement Jail Control System (\$1.3M).
- Space Optimization – Funding to develop required workspace to support City operations, using City-owned space to avoid incurring ongoing cost of leased space (\$2M).

The Park and Recreational Sites and Facilities Fund will provide \$2.7M to complete various capital improvement projects at Department of Recreation and Parks facilities that have already been approved and are under construction with priority given to fund shortfalls for Proposition K projects.

Physical Plant CTIEP: The Proposed Budget includes \$159M in CTIEP funding for Physical Plant Projects. The Physical Plant CTIEP includes stormwater, street-related improvement, and street lighting projects. The Proposed Budget includes Seven watershed management projects totaling \$15M for water quality improvements required by the Clean Water Act under the City’s Enhanced Watershed Management Program, funded through the Measure W Local Return Fund. The street-related improvement projects total \$144.1M, with funds provided from the General Fund (\$10.6M), Special Gas Tax Street Improvement Fund (\$3.4M), SB1 Fund (\$102M), Measure M Local Return Fund (\$24M), Measure R Local Return Fund (\$2.9M), and Local Transportation Fund (\$1.2M). No funds are allocated in 2025-26 for street lighting projects.

Technology CTIEP: On May 3, 2020, the City Council and Mayor adopted a revision to the City’s Financial Policies, which added technology infrastructure as a component of the CTIEP, formerly known as the CIEP. The total 2025-26 program cost for technology projects is \$10.2M, consisting of \$7.2M in General Fund appropriations and \$3M in special fund appropriations for various projects. The Proposed Budget includes funding for the following technology projects: City Attorney - Case Management System Replacement (\$1.5M); Fire Department - Voice Radio System Upgrade (\$1M), General City Purposes – Open Data and Digital Services (\$1.3M); Information Technology Agency - Network Outage Prevention (\$0.5M); Street Lighting – Small Cell Communication (\$1.5M); Street Lighting – Smart City and Street Lighting Technology Initiatives (\$1.5M); and Street Services – Enterprise Asset Management System (\$3M).

Sidewalk Repair Program: On April 1, 2015, the City Council and the Mayor approved a Settlement Agreement in the class action lawsuit *Mark Willits, et al. v. the City of Los Angeles*. Court approval of this Settlement Agreement was finalized in August 2016. This will be the ninth year of the compliance period established by the Settlement. The terms of the Settlement Agreement include an annual commitment by the City for 30 years to projects that improve sidewalk ADA access and remove barriers.

In Fiscal Year 2025-26, the City is obligated to commit \$35.7M to the program. The Proposed Budget appropriates \$37M to the Sidewalk Repair Program, which includes: \$12.6M from the General Fund; \$4.3M in Measure R Traffic Relief and Rail Expansion Fund; \$8.2M in SB1 funding; \$9.1M from the Measure M Local Return Fund; \$1.5M from the Local Transportation Fund; \$0.2M from the Sidewalk Repair Fund; and \$1.1M from Proprietary Departments to fund repairs to sidewalks and pedestrian facilities adjacent to their properties.

In compliance with the terms of the Settlement Agreement, the Proposed Budget includes at least \$7.1M for the Access Request Program and \$5M for curb ramp installation.

Street Improvement: The programs included under Street Improvement are the Pavement Preservation, Pavement Preservation – Access Ramps, Complete Streets, and Bicycle Lane Repair and Maintenance. Total funding of \$153.6M is provided for street improvement programs to help maintain and improve 6,500 centerline miles (23,000 lane miles) of streets throughout the City, as follows:

Program	Proposed 2025-26 Funding
Pavement Preservation	\$120,112,909
Pavement Preservation – Access Ramps	\$33,500,000
TOTAL	\$153,612,909

Complete Streets Program (\$89M) – There are six projects in the program; five are complete and one is in construction, as follows:

- Avalon Blvd from San Pedro St to 120th St (\$19M) – In Construction;
- Roscoe Blvd from the I-405 to Woodman Ave (\$8.6M) – Complete;
- Venice Blvd (East) from Arlington Ave to Figueroa St (\$13.6M) – Complete;
- Main Street (South) from MLK Blvd to Imperial Hwy (\$13.9M) – Complete;
- Temple Ave from Beverly Blvd to Beaudry Ave (\$9.2M) – Complete; and
- Reseda Blvd from Parthenia St to Victory Blvd (\$24.7M) – Complete.

The 2025-26 Proposed Budget and the 2024-25 Adopted Budget do not include a new appropriation for this Program, but there is funding available from a prior-year grant. A total of \$11.23M is provided for an additional project (La Brea Avenue from Coliseum to Adams) through a combination of a Safe Streets for All Grant and prior year CTIEP funds.

Bicycle Lane Repair and Maintenance – Includes Citywide bike lane repair and maintenance to ensure public safety. The 2025-26 Proposed Budget does not include a new appropriation for this program.

Sewer Construction and Maintenance Fund: The Sewer Construction and Maintenance (SCM) Fund supports the Clean Water Program, which provides wastewater collection, treatment, reuse, and disposal services for the City. The SCM is partially-funded through a Sewer Service Charge, which is paid by all properties using the City's sewer system.

The Proposed Budget for the SCM Fund is \$1.8B (a 54.8 percent increase from 2024-25 due to rate adjustments for the Sewer Service Charge) and includes \$396.4M in SCM Funds that are allocated to various departments, offices, and bureaus to cover the cost of Clean Water Program-related activities.

The Proposed Budget includes the first full year of five-year rate adjustments for the Sewer Service Charge that went into effect in October 2024. Due to the increase in revenues, the Proposed Budget includes \$10.8M in increased services and funding for the Clean Water Program, including the addition of 135 positions in the Bureau of Sanitation to support conveyances, testing, facility operations and maintenance, planning, and administration.

The Proposed Budget provides \$0.5M in SCM funding to support the operation of a membrane bioreactor pilot facility at the Hyperion Water Reclamation Plant.

The Proposed Budget for the SCM Fund includes the Clean Water Capital and Technology Improvement Expenditure Program (\$709.4M) and the related capital, labor, and expense costs (\$135.2M). The Proposed Budget also includes the costs of operating and maintaining the Clean Water System (\$587.9M), the payment of debt service on Wastewater System Revenue Bonds (\$257.7M), a 45-day operating reserve (\$71.9M), and various expenses (\$23.1M).

Solid Waste Resources Revenue Fund: The Solid Waste Collection, Transfer, Recycling, Recovery of Waste Resources and Disposal Fee (Solid Waste Fee) is imposed on all single-family dwellings in the City and upon multiple-unit dwellings for which the City provides refuse collection services. All receipts from the Solid Waste Fee are deposited into the Solid Waste Resources Revenue Fund (SWRRF) and are used for all costs associated with the collection, disposal, and recycling of solid waste. On April 11 2025, the Council approved the initiation of a five-year rate adjustment, which is subject to Proposition 218 notice and protest requirements. The Proposed Budget assumes approval and implementation of the rate adjustments. SWRRF still requires a General Fund Subsidy totaling \$72.4M, but the fund is projected to achieve full cost recovery by 2026-27.

The 2025-26 Proposed Budget for the SWRRF totals \$432.2M and includes:

- Low Income Financial Assistance Program: The Proposed Budget provides \$9.7M in General City Purposes (GCP) funds to reimburse SWRRF for costs to support the anticipated and expanded Low Income Financial Assistance Program (formerly the Lifeline Program) for ratepayers who meet qualifying income levels.
- Solid Waste Fee Reimbursement: The Proposed Budget provides \$3.6M in the GCP to reimburse SWRRF for costs associated with refuse collection and disposal services for other City departments and special events.
- Solid Waste Tip Fees & Material Recovery Facilities (MRF) Fees: Solid waste tip fees (or landfill disposal fees) and MRF fees for residential collection will increase by \$4.4M to \$126.9M in 2024-25, which includes \$57.7M to process organics as required under SB 1383. This increase is partially driven by global market conditions, which have increased the costs to process and market the City's recyclables, and by SB 1383's mandate to process organic and food waste.
- Departmental Appropriations: \$185.4M from the Fund is provided to various City departments, offices and bureaus for the cost of solid waste related activities.

2028 Olympic and Paralympic Games: The Proposed Budget provides continued and increased funding for various work in preparation for the 2028 Olympic and Paralympic Games including:

- Departmental Appropriations: Funding is continued or increased to various City departments and bureaus for 2028 Olympic and Paralympic Games work:
 - City Administrative Officer (\$0.2M);
 - City Attorney (\$0.2M);
 - Department of Cultural Affairs (\$0.2M);
 - Police (funding is part of Department's base budget); and
 - Bureau of Street Services (\$0.6M).
- GCP – Mayor's Office of Major Events (\$2M): Funding is provided for the Mayor's Office of Major Events to support staffing, supplies, equipment, and contracts for the planning of upcoming major events in the City.
- GCP – International Engagement (\$0.6M): Funding is provided for Citywide planning and coordination of international delegations in advance of the 2026 FIFA Men's World Cup and the 2028 Olympic and Paralympic Games.
- CTIEP – 2028 Games Project Public Right-of-Way Improvements (\$5.3M): Funding is provided by Measure M for projects in the public right-of-way around 2028 Olympic and Paralympic Game venues.
- CTIEP – 2028 Games Project Sepulveda Basin Mobility (\$6.6M): Funding is provided by SB1 for mobility improvements to increase safety in the public right-of-way around the Sepulveda Basin.
- CTIEP – 2028 Games Project Sixth Street Viaduct Lighting (\$6.4M): Funding is provided by SB1 for the installation of lighting on the Sixth Street Viaduct.

January 2025 Windstorm and Wildfire Recovery: The total known Windstorm and Wildfire Response and Damage costs to date, including proprietary departments, is

\$334.7M, which is primarily attributable to Structural/Equipment Damage (\$159.9M). The largest expenditures are in the Department of Water and Power (\$111M), Recreation and Parks (\$56.4M), Libraries (\$55.2M), and Fire (\$25.5M). The Proposed Budget does not include anticipated FEMA reimbursements for the Palisades Fire response and recovery efforts, as any reimbursements will be deposited in the Disaster Assistance Trust Fund for disbursement. State and federal reimbursements for City disaster recovery programs are deposited into the Disaster Assistance Trust Fund which was established in 1990 in order to meet accounting requirements for state and federal disaster assistance programs.

Summary of Proposed Departmental and Other Changes

Notable Proposed Changes to Departmental Budgets

The below summaries highlight notable proposed changes to departmental programs and services in the Proposed Budget. The Proposed Budget includes 1,647 layoffs; however, not all deleted positions will directly result in a layoff. In some rare cases, staff may be transferred to fill a vacant position. The Proposed Budget also includes four months funding within the departments for the Personnel Department to complete the layoff process. For common classifications, the layoff process may require additional time resulting in additional unbudgeted costs. Finally, it is noted that the service impacts from the position deletions are not specified in budget documents. Departmental budget letters to the Budget and Finance Committee provide further details.

Attachment 2 to this report includes a table that outlines the proposed deletion of positions across departments, including the percentage reduction in authorized positions from the 2024-25 Adopted Budget.

Aging: The Department of Aging's total budget is decreased by \$0.8M from 2024-25 levels to \$10.7M. Changes for the Department's budget include:

- Deletion of Six Filled Positions: Regular authority for five positions (-\$0.4M) is deleted and resolution authority for one position is not continued.
- Deletion of Four Vacant Positions: Regular authority for four positions (-\$0.3M) is deleted.

The Proposed Budget provides continued funding for the following notable programs in the Department's budget:

- Congregate Meals Program (\$0.8M): Funding is continued in the Contractual Services Account to support the Congregate Meals Program.
- Home-Delivered Meals Program (\$2.3M): Funding is continued in the Contractual Services Account to support the Home-Delivered Meals Program.
- Nutrition Services Program Support Staffing (\$0.09M): Funding and resolution authority are continued for one Nutritionist to support the 19 Multipurpose Senior Centers and Congregate Meal and Home-Delivered Meal Programs.

Although not included in the Department's budget, Exhibit H recommends the consolidation of community services and transfer of the Department of Aging to the Community Investment for Families Department to form a new "Senior Services" Division and includes the following instructions:

- Add one new position: Chief Management Analyst or Assistant Chief Grants Administrator.
- Transfer 38 positions.
- Delete two positions: General Manager, Department of Aging and Executive Administrative Assistant III.

Animal Services: The Department of Animal Services' total budget is decreased by \$4.8M from 2024-25 levels to \$25.5M. Changes proposed for the Department's budget include:

- Deletion of 62 Filled Positions: Regular authority for 57 positions (-\$4.1M) is deleted and resolution authority for five positions is not continued.
- Deletion of 60 Vacant Positions: Regular authority for 31 positions (-\$2.2M) is deleted and resolution authority for 29 positions is not continued.
- District Supervisor (\$0.1M): Nine-months funding and resolution authority is added for one position to oversee shelter operations.
- Veterinary Medical Support Expansion (\$0.2M): Funding and regular authority are added for two positions to provide medical care for animals in the Foster Program and treat sick and injured animals entering shelters.

The Proposed Budget provides continued funding for the following notable programs in the Department's budget:

- Animal Care Staffing Support (\$0.5M): Funding and resolution authority are continued for eight positions to support shelter operations.
- Canine Enrichment Coordinators (\$0.8M): One-time funding is continued in the Contractual Services Account for canine enrichment services at all shelters.
- Volunteer Program Support (\$0.3M): Funding and resolution authority are continued for four positions to support the program.

Building and Safety: The Department of Building and Safety's total budget is decreased by \$2.9M from 2024-25 levels to \$152.9M. Changes proposed for the Department's budget include:

- Deletion of 25 Filled Positions: Regular authority for 23 positions (-\$2.6M) is deleted and resolution authority for two positions is not continued.
- Deletion of One Vacant Position: Regular authority for one position (-\$0.1M) is deleted.
- Enterprise Efficiency Improvement (-\$0.4M): Funding and regular authority are deleted for two vacant positions and five vacant half-time positions with no service impact as the work will be absorbed with existing resources.
- Multi-Unit Residential Inspection Case Management (\$0.7M): Nine-months funding and resolution authority are added for nine positions to provide case management services for multi-unit residential properties.

- Zoning Review Section Expansion (\$0.1M): Funding and resolution authority are added for one position to support the Zoning Review Section.
- Inspection Bureau (\$0.1M): Nine-months funding and resolution authority are added for one position to support the Inspection Bureau.

The Proposed Budget provides continued funding for the following notable programs in the Department's budget:

- Zoning Review Section (\$4.5M): Funding and resolution authority are continued for 41 positions to prepare zoning reviews for all ministerial projects as part of the Zoning Review and Entitlement Review Program. Two positions are not continued.
- Virtual Inspection Program (\$1.4M): Funding and resolution authority are continued for 11 positions for the Virtual Inspection Program.
- Affordable Housing Inspection (\$0.7M): Funding and resolution authority are continued for five positions to expedite permits and clearances for temporary shelters and affordable housing projects.

Although not included in the Department's budget, Exhibit H recommends the following:

- Transfer the Zoning Review Program from the Department of Building and Safety to the Department of City Planning

Cannabis Regulation: The Department of Cannabis Regulation's total budget is decreased by \$0.9M from 2024-25 levels to \$8.6M. Changes proposed for the Department's budget include:

- Deletion of Three Vacant Positions: Resolution authority for three positions is not continued.
- Information Technology Support (\$0.1M): Nine-months funding and resolution authority are added for one position to provide technology support.

The Proposed Budget provides continued funding for the following notable programs in the Department's budget:

- Social Equity Business Development (\$0.7M): Funding and resolution authority are continued for four positions to support the Department's Social Equity and Business Development programs. Funding and resolution authority are also added for two positions.
- Community Engagement/Public Policy (\$0.5M): Funding and resolution authority are continued for five positions to support the Department's Community Engagement and Public Policy Programs.
- Compliance Unit (\$0.2M): Funding and resolution authority are continued for two positions to support the Compliance Unit.

City Administrative Officer: The CAO's total budget is increased by \$5.8M from 2024-25 levels to \$39M. Changes to the Office's budget include:

- Deletion of 11 Filled Positions: Regular authority for 11 positions (-\$1.2M) is deleted.

- Deletion of Nine Vacant Positions: Regular authority for nine positions (-\$1.4M) is deleted.
- Expense Account Reduction (-\$1.1M): Funding is reduced in the Salaries and Contractual Services Accounts.

The Proposed Budget provides continued funding for the following notable program in the Office's budget:

- Unarmed Model of Crisis Response (\$9.4M): Funding and resolution authority are continued for three positions to manage the Unarmed Model of Crisis Response (UMCR) pilot. Contractual Services funding (\$8.9M) is also added to continue operations of the UMCR contractors.

Exhibit H requests an ordinance to eliminate the Innovation Fund and the Innovation and Performance Commission. The Innovation Fund paid a portion of funding for a position within the Office that supported the Fund and Commission that is proposed for deletion.

City Attorney: The Office of the City Attorney's total budget is increased by \$9.7M from 2024-25 levels to \$186M. Changes proposed for the Office's budget include:

- Litigation Account Increase (\$2.8M): Funding is added to the Litigation Account to address increased litigation expenses.
- High-Priority Prosecutions Program (\$0.1M): Nine-months funding and resolution authority are added for one position to assist with public safety efforts focused on the Figueroa Street and Sepulveda Boulevard Corridor.
- Department of Water and Power - Real Estate Branch (\$0.2M): Nine-months funding and resolution authority are added for two positions to support DWP-related transactions within the Real Property Division. All costs will be fully reimbursed by DWP.

The Proposed Budget provides continued funding for the following notable programs in the Office's budget:

- Cannabis Enforcement Regulation (\$1.8M): Funding and resolution authority are continued for seven positions within the Marijuana Enforcement Unit to enforce and prosecute illegal cannabis operations. Funding and resolution authority for four positions are also continued within the Cannabis Advice and Litigation Unit.
- Child Sexual Abuse Prosecutorial Support (\$0.2M): Funding is continued and regular authority is added for one position to provide legal support for child sexual abuse cases undertaken as part of a multi-disciplinary team at Stuart House and to prosecute misdemeanor cases directly by the City Attorney.
- Risk Management Division (\$1M): Funding is continued and regular authority is added for six positions to address litigation against the City through the development of proactive risk management programs and corrective action procedures.
- Police Litigation Division (\$0.9M): Funding is continued and regular authority is added for five positions for enactment of state legislation which requires disclosure of records related to incidents involving discharge of a firearm by a peace officer,

use of force by a peace officer resulting in significant bodily injury or death, and sustained findings that a peace officer engaged in dishonest conduct. Resolution authority is not continued for one Deputy City Attorney III.

- General Litigation Division (\$0.2M): Funding is continued and regular authority is added for two Legal Secretary IIs within the General Litigation Division to provide legal support to in-house attorneys handling civil litigation against the City.
- 2028 Games Planning (\$0.2M): Funding and resolution authority are continued for one position to provide legal support for the City's effort to host the 2028 Olympic and Paralympic Games.
- Police Department Legal Support (\$1M): Funding and resolution authority are continued for seven positions to support the Advocate Section within the Police Department during conduct of administrative hearings held by the Board of Rights.
- Office of Wage Standards Support (\$0.7M): Funding and resolution authority are continued for five positions to support the enforcement of minimum wage and wage theft enforcement programs.
- Office of Procurement Legal Support (\$0.2M): Funding and resolution authority are continued for one position to support the Office of Procurement within the Office of the City Administrative Officer.
- Community Planning Program Support (\$0.4M): Funding and resolution authority are continued for three positions for the Community Planning Program.
- Administrative Citation Enforcement – Measure ULA (\$0.4M): Funding and resolution authority are continued for three positions to provide legal support for the Tenant Harassment Program.

City Clerk: The Office of the City Clerk's total budget is decreased by \$1.3M from 2024-25 levels to \$18.8M. Changes proposed for the Office's budget include:

- Deletion of 12 Filled Positions: Regular authority for nine positions (-\$1M) is deleted and resolution authority for three positions is not continued.
- Deletion of Seven Vacant Positions: Regular authority for five positions (-\$0.5M) is deleted and resolution authority for two positions is not continued.
- 2026 Administration of Municipal Elections (\$4.6M): One-time funding is added in the Salaries As-Needed (\$1.2M), Overtime (\$0.1M), and Elections (\$3.3M) accounts for work related to the June 3, 2026 Primary Election.
- Passport Services: Three positions that provided Passport Services are among the resolution authority positions not continued in the Proposed Budget.

City Planning: The Department of City Planning's total budget is decreased by \$15.3M from 2024-25 levels to \$56.5M. Changes proposed for the Department's budget include:

- Deletion of 114 Filled Positions: Regular authority for 95 positions (-\$10.4M) is deleted and resolution authority for 19 positions is not continued.
- Deletion of 83 Vacant Positions: Regular authority for 61 positions (-\$6.5M) is deleted and resolution authority for 22 positions is not continued.
- Van Nuys Airport Specific Plan (\$0.7M): Funding and resolution authority are added for three positions and one-time Contractual Services funding is provided

to support the Van Nuys Specific Plan, to be reimbursed by the Department of Airports.

The Proposed Budget provides continued funding for the following notable programs in the Department's budget:

- Home-Sharing Administration and Enforcement (\$2.5M): Funding and resolution authority are continued for 16 positions and Contractual Services funding is continued to enforce the short-term rental ordinance.
- Entitlement Review Program (\$2.4M): Funding and resolution authority are continued for 21 positions to review all incoming discretionary projects, route incoming projects through the Building and Safety zoning review, and confirm required entitlements for Zoning Review and compliance with the Entitlement Review Program.
- Streamlining Affordable Housing Permit Process (\$0.8M): Funding and resolution authority are continued for seven positions to streamline the affordable housing permit approval process and support the Development Services Center Affordable Housing Services Unit.

Although not included in the Department's budget, Exhibit H recommends the following:

- Transfer oil regulation functions from the Board of Public Works to the Department of City Planning.
- Transfer the Zoning Review Program from the Department of Building and Safety to the Department of City Planning

City Tourism: The City Tourism Department's total budget is decreased by \$0.2M from 2024-2025 levels to \$1.8M. One-time Contractual Services funding for the Tourism Master Plan (\$0.3M) is deleted.

Civil, Human Rights and Equity: The Civil, Human Rights and Equity Department's total budget is decreased by \$1.3M from 2024-25 levels to \$3.8M. Changes proposed for the Department's budget include:

- Deletion of 13 Filled Positions: Regular authority for two positions (-\$0.3M) is deleted and resolution authority for 11 positions is not continued.
- Deletion of Three Vacant Positions: Regular authority for one position (-\$0.1M) is deleted and resolution authority for two positions is not continued.
- Civil Rights Outreach (\$0.1M): Funding and resolution authority are added for one Community Affairs Advocate to promote civil rights enforcement programs and conduct policy analysis.
- Communications and Grants Director (\$0.1M): Funding and resolution authority are added for one Principal Project Coordinator to oversee communications, prepare and submit grant applications, and supervise policy fellows.
- Office of Racial Equity Enhancement (\$0.3M): Funding and resolution authority are added for three Human Relations Advocates to develop and implement equity-related service programs and develop equity policy analysis criteria for the Office of Racial Equity.

- Civil Rights Enforcement Case Management (\$0.04M): Contractual Services funding is added to maintain licenses for a case management system for the Civil Rights Enforcement unit.

Community Investment for Families: The Community Investment for Families Department's total budget is decreased by \$3.6M from 2024-25 levels to \$39.4M. Changes proposed for the Department's budget include:

- Deletion of 12 Filled Positions: Regular authority for four positions (-\$0.4M) is deleted and resolution authority for eight positions is not continued.
- Deletion of Seven Vacant Positions: Regular authority for five positions (-\$0.5M) is deleted and resolution authority for two positions is not continued.
- Survivor Services System (\$4M): One-time Contractual Services funding is added to support the Survivor Services System.
- Case Management System (\$0.1M): One-time Office and Administrative funding is added to provide software and licenses for the Case Management/Productivity Tracking System.
- RepresentLA (-\$1M): Funding for this program is discontinued in 2025-26.

The Proposed Budget provides continued funding for the following notable programs in the Department's budget:

- FamilySource System (\$16.8M): One-time Contractual Services funding is continued to operate 19 FamilySource Centers. Total funding is \$20.7M.
- Office of Immigrant Inclusion and Language Access (\$0.1M): Funding and resolution authority are continued for one Senior Project Coordinator to provide equitable access to City services and programs for immigrant and refugee Angelenos and to support the Citywide Language Access Program.
- Children's Savings Account Program (\$0.2M): Funding and resolution authority are continued for two Project Coordinators to support the Children's Savings Account Program.

Although not included in the Department's budget, Exhibit H recommends the consolidation of community services and transfer of positions from the Department of Aging, Economic Workforce Development Department, and Youth Development Department to the Community Investment for Families Department.

Controller: The Controller's total budget is increased by \$2.3M from the 2024-25 level to \$23.1M. Changes for the Controller's budget include:

- Deletion of Two Vacant Positions: Resolution authority for two positions is not continued.
- Internal Audit Support for Building and Safety (\$0.2M): Funding is continued and regular authority is added for one Internal Auditor IV to strengthen internal controls and provide audit support to the Department of Building and Safety.
- Fraud, Waste, and Abuse Program Support (\$0.1M): Funding is continued and regular authority is added for one Special Investigator I to support the Fraud, Waste, and Abuse Program.

The Proposed Budget provides continued funding for the following notable program in the Department's budget:

- Human Resources and Payroll Project (\$1.6M): Funding and resolution authority are continued for ten positions to support the Human Resources and Payroll System Project.

Cultural Affairs: The Department of Cultural Affairs' total budget is decreased by \$2.1M from 2024-25 levels to \$16.6M. Changes for the Department's budget include:

- Deletion of 14 Filled Positions: Regular authority for 14 positions (-\$0.9M) is deleted.
- Deletion of 10 Vacant Positions: Regular authority for seven positions (-\$0.5M) is deleted and resolution authority for three positions is not continued.
- Expense Account Reduction (-\$2M): Funding is reduced in the Department's Special Appropriations Accounts.
- Community Programming (\$0.8M): Funding is added to provide community programming at art facilities.
- Festival and Performance Coordinator (\$0.06M): Nine-months funding and resolution authority are added for one Arts Associate to assist with the coordination of festivals and performances throughout the City in preparation of the 2028 Games.
- Cultural Olympiad Planning (\$0.1M): Nine-months funding and resolution authority are added for two positions to support Cultural Olympiad planning and programming in preparation of the 2028 Games.
- Community Arts Staff Support (\$0.4M): Funding is continued and regular authority is added for four positions to manage and provide arts and cultural programming at various facilities.
- Performing Arts Staff Support (\$0.3M): Funding is continued and regular authority is added for four positions to manage and support various theaters Citywide.

Disability: The Department on Disability's total budget is decreased by \$1.1M from the 2024-25 level to \$4.2M. Changes for the Department's budget include:

- Deletion of 11 Filled Positions: Regular authority for 10 positions (-\$1.1M) is deleted and resolution authority for one position is not continued.
- Expense Account Reduction (-\$0.7M): Funding is reduced in various accounts including AIDS Prevention Policy and Contractual Services.

The Proposed Budget provides continued funding for the following notable programs in the Department's budget:

- ADA Compliance Administration (\$0.1M): Funding and resolution authority are continued for one Management Analyst I to support the ADA Compliance Program.
- AIDS Coordinator's Office Director (\$0.2M): Funding and resolution authority are continued for one Principal Project Coordinator to lead the AIDS Coordinator's Office Program.

Economic and Workforce Development Department: The Economic and Workforce Development Department's (EWDD) total budget is decreased by \$1.4M from 2024-25 levels to \$24.4M. Changes for the Department's budget include:

- Deletion of Two Filled Positions: Resolution authority of two positions is not continued.
- Deletion of Seven Vacant Positions: Regular authority for five positions (-\$0.5M) is deleted and resolution authority for two positions is not continued.
- Day Laborer Program (-\$1.1M): Contractual Services funding is deleted for the Day Laborer Program.
- Procurement and Contracts Administrative Support (\$0.05M): Funding and resolution authority are added for one position to support procurement and contract development.
- Procurement and Contract Development Expansion (\$0.1M): Funding and resolution authority are added for one position to provide procurement and contract development support for the Adult and Youth Workforce programs.
- Adult Workforce Development (\$1.9M): Funding is continued and regular authority is added for three positions and funding and resolution authority are continued for 13 positions to implement the Workforce Development Board Annual Plan.
- Youth Workforce Development (\$0.6M): Funding is continued and regular authority is added for four positions and funding and resolution authority are continued for two positions to implement the City's youth workforce development services.

The Proposed Budget provides continued funding for the following notable programs in the Department's budget:

- Los Angeles Regional Initiative for Social Enterprise (\$2.7M): Contractual Services funding is continued for continued implementation of the Los Angeles Regional Initiative for Social Enterprise for subsidized job development services for individuals experiencing homelessness.
- YouthSource Centers, Hire LA, Cash for College (\$1.8M): Funding (\$1.4M) and resolution authority for 16 positions and Contractual Services funding (\$0.3M) are continued for the YouthSource Centers, HireLA, and Cash for College programs, which provide employment and education development services for youth.
- Jobs, Legacy Business, and Good Food Zones (\$0.2M): Funding and resolution authority are continued for two positions to support the Jobs and Economic Development Incentive Zones, Legacy Business, and Good Food Zone programs.

Although not included in the Department's budget, Exhibit H recommends the consolidation of community services and transfer of the EWDD to the Community Investment for Families Department to form new "Economic Development" and "Adult Workforce" Divisions and includes the following instructions:

- Add one new position: Assistant General Manager, Economic and Workforce Development;
- Transfer 129 positions; and
- Delete 25 positions.

El Pueblo: El Pueblo's total budget is increased by \$0.05M from 2024-25 levels to \$2.1M. Changes for the Department's budget include:

- Deletion of One Filled Position (-\$0.1M): Regular authority for one position is deleted.
- Deletion of One Vacant Position (-\$0.1M): Regular authority for one position is deleted.
- Museum Guides (\$0.04M): Funding is added for museum guides.
- Security Camera Monitoring and Maintenance (\$0.01M): Contractual Services funding is added to provide routine maintenance and video monitoring services to security cameras at El Pueblo Plaza.

Emergency Management: The Emergency Management Department's total budget is increased by \$0.1M from 2024-25 levels to \$4.3M. Changes to the Department's budget include:

- Emergency Operations Center Readiness (\$0.1M): Funding is continued and regular authority is added for one Emergency Management Coordinator I within the Operational Readiness Division to continue implementation of an Emergency Operations Center credentialing program and to ensure the implementation of recommended improvements for future Emergency Operations Center activations.
- Homelessness Preparedness and Response (\$0.1M): Funding is continued and regular authority is provided for one Emergency Management Coordinator I to focus on emergency preparedness and response needs of residents experiencing homelessness.

Ethics Commission: The Ethics Commission's total budget is increased by \$0.7M from 2024-25 levels to \$7M. Changes to the Department's budget include:

- Special Prosecutor (\$0.3M): Contractual Services funding is increased for a special prosecutor to investigate and prosecute City Charter violations.
- Mobile and Website Accessibility (\$0.1M): One-time Contractual Services funding is added to remediate websites for ADA compliance.

The Proposed Budget does not provide any funding for the Ethics Commission Public Matching Campaign Funds Trust Fund. This is permitted only when a fiscal emergency is declared.

Finance: The Office of Finance's total budget is decreased by \$2.6M from 2024-25 levels to \$46.9M. Changes for the Department's budget include:

- Deletion of 45 Vacant Positions: Regular authority for 38 positions (-\$3.8M) is deleted and resolution authority for seven positions is not continued.

The Proposed Budget provides continued funding for the following notable programs in the Office's budget:

- Measure ULA Revenue Enforcement (\$0.5M): Funding and resolution authority are continued for four positions to assist with the enforcement of United to House LA (Measure ULA) Documentary Transfer Tax remittance.
- Cannabis Audit Unit (\$0.7M): Funding and resolution authority are continued for six positions to perform annual audits of cannabis businesses.

Fire Department: The Fire Department’s operating budget is increased by \$103.8M from 2024-25 levels to \$923.4M. Based on the Fire Department’s budget allocation, the Department’s share of unrestricted revenue will increase from 15.3 percent (\$1.03B of \$6.7B) in 2024-25 to 16.7 percent (\$1.08B of \$6.4B) in 2025-26. Each one percent equates to approximately \$64M. Unrestricted revenues are General Fund receipts which may be used for any municipal purpose. \$81.8M in MICLA financing is also included for the purchase of fire vehicles and one helicopter. Changes for the Department’s budget include:

- Constant Staffing Adjustments (\$35.7M): A transfer of funding from the Salaries Sworn Account to the Overtime Constant Staffing Account is included to reflect platoon-duty vacancies maintained by firefighter on an overtime basis.
- Homeless Fire Protection and Street Medicine Program (\$7.2M): Funding and resolution authority for 67 positions consisting of 52 Firefighter IIIs, eight Emergency Medical Services Advanced Providers, four Fire Inspector Is, two Fire Captain Is and one Physician I is provided to provide adequate fire protection, enforcement and medical care for individuals experiencing homelessness. Related Fleet Equipment is included in the MICLA program.
- Wildland Hand Crew (\$1.9M): Funding is added and resolution authority is continued for 29 positions consisting of one Fire Captain I, two Firefighter IIIs and 26 Wildland Hand Crew Technicians to support wildland firefighting efforts. These positions were originally approved in 2024-25 (C.F. 24-0600-S33).
- Harbor Fire Captains (\$1.2M): Nine-months funding and resolution authority are added for six Fire Captain Is to be assigned to Fire Boats 1 and 5 in Marine Operations. All costs for these positions will be fully reimbursed by the Harbor Department.
- Heavy Equipment Operators (\$0.4M): Nine-months funding and resolution authority are added for four Firefighter IIIs to support the Wildland Fuel Management Unit.
- Certified Unified Program Agency (CUPA) Oversight Enhancement (\$0.3M): Nine-months funding and resolution authority are added for four positions to enhance administrative support for the CUPA.
- CUPA Data Management Software (\$0.4M): One-time funding is added in the Office and Administrative Account to upgrade the CUPA Section’s data management system.
- Airport Fire Inspectors (\$0.4M): Nine-months funding and resolution authority are added for three positions consisting of one Fire Captain I and two Fire Inspector Is to establish an Airport Inspection Unit to address fire, life and safety inspections at

Los Angeles World Airports (LAWA), the Airports Department. The costs for these positions will be reimbursed by LAWA.

- Emergency Appointed Paramedics (\$1.3M): Nine-months funding and resolution authority are added for 25 Emergency Medical Technician IIs to staff paramedic ambulances.
- Tactical Emergency Medical Support Unit (\$1.5M): Nine-months funding and resolution authority are added for six positions consisting of four Firefighter IIIs and two Fire Captain Is to participate in the Tactical Emergency Medical Support Unit deployment.
- LAWA Cycle Teams (\$1.1M): Nine-months funding and resolution authority are added for 10 positions consisting of one Fire Captain I, seven Firefighter IIIs, and two EMS Advanced Providers for two Paramedic Assessment Cycle Teams at LAWA to provide emergency medical services. The costs for these positions will be fully reimbursed by LAWA.
- Aircraft Rescue and Firefighting Training Compliance (\$0.1M): Nine-months funding and resolution authority are added for one Fire Captain I to serve as the Aircraft Rescue and Fire Fighting Training Compliance Officer at LAWA. All costs associated with this position will be reimbursed by LAWA.
- Paramedic Training Program Enhancement (\$0.4M): One-time funding is added in the Office and Administrative Account to send up to 45 Firefighters to paramedic training programs.
- Supply and Maintenance Staffing (\$1.5M): Nine-months funding and resolution authority are added for 26 positions to support the Supply and Maintenance Division.
- Fire Boat Maintenance (\$2M): One-time funding is added in the Field Equipment Expense Account for maintenance of fire boats. All costs will be fully reimbursed by the Harbor Department.
- Turnout Maintenance and Repair (\$1.5M): One-time Contractual Services funding is added to provide advanced turnout gear cleaning services in compliance with National Fire Prevention Association Standard 1851.
- Safety and Protective Equipment (\$2.4M): One-time funding is added in the Operating Supplies Account to purchase particulate barrier hoods, flight helmets, and uniforms for firefighters, paramedics, and Air Operations staff.
- Voice and Data Communications Equipment (\$1M): One-time funding is added in the Operating Supplies Account to update and maintain communications hardware and radio systems.
- Professional Standards Division Support (\$0.1M): Nine-months funding and resolution authority are added for one Chief Special Investigator to oversee the disciplinary process in the Professional Standards Division.
- Human Resources Division Staffing (\$0.7M): Funding and resolution authority for two Personnel Records Supervisors and nine-months funding and resolution authority for eight positions are added to support the Department's Human Resources Division.

- Behavioral Health Program Expansion (\$0.5M): Nine-months funding and resolution authority are added for one Management Analyst, one Chief Fire Psychologist, and one Fire Psychologist to supervise existing staff in the Behavioral Mental Health Program.

The Proposed Budget provides continued funding for the following notable programs in the Department's budget:

- Firefighter Recruit Training (\$12.4M): One-time funding is continued to train 118 new recruits in two academy classes at the Valley Recruit Training Academy.
- Civilian Hiring Increase (\$11.4M): Funding is increased in the Salaries General Account to reflect a 32 percent vacancy rate with an average of 341 civilian positions being filled throughout the year.
- Marine Operations (\$0.2M): Funding and resolution authority for one Fire Battalion Chief are continued to support operations at the Port. All costs associated with this position will be reimbursed by the Harbor Department.
- 2022 SAFER Grant (\$2.5M): Funding and resolution authority are continued for 12 positions consisting of six Firefighter IIIs, three Fire Captain Is, and three Engineers for the 2022 Staffing for Adequate Fire and Emergency Response (SAFER) Grant program.
- Paramedic Training Program (\$0.5M): One-time funding in the Office and Administrative Account is continued to send up to 45 Firefighters annually to paramedic training programs.

General Services: The General Services Department's budget is decreased by \$43.8M from 2024-25 levels to \$215.7M. Changes proposed for the Department's budget include:

- Deletion of 110 Filled Positions: Regular authority for 110 positions (-\$9.6M) is deleted.
- Deletion of 112 Vacant Positions: Regular authority for 108 (-\$9M) positions is deleted and resolution authority for four positions is not continued.
- Expense Account Reduction (-\$4.9M): Funding in various accounts is reduced including Contractual Services (-\$1.6M)
- Construction Forces Administrative Support (\$1.6M): Funding and resolution authority are added for 17 positions to provide administrative support for the Construction Forces Division.
- Property Management Services for the Mayfair Hotel (\$3.6M): Funding is added in the Master Trust Account for property management services at the Mayfair Hotel.
- Field Equipment Expenses (\$5M): Funding is added in the Field Equipment Expense Account to procure additional parts and equipment for fleet maintenance.
- Petroleum Products (-\$39.2M): Funding is transferred to establish a new Non-Departmental account for Petroleum Products (\$43.1M).

Housing Department: The Housing Department's total budget is increased by \$8.5M from 2024-25 levels to \$106.5M. Changes proposed for the Department's budget include:

- Deletion of 17 Filled Positions: Regular authority for one position (-\$0.07M) is deleted and resolution authority for 17 positions is not continued.
- Affordable Housing Managed Pipeline Adjustment (-\$0.2M): Funding and regular authority are deleted for one vacant position in the Affordable Housing Managed Pipeline with no service impact as the work will be absorbed with existing resources.
- Just Cause Ordinance Enforcement (\$5M): Funding is added and resolution authority is continued for 55 positions to enforce the Just Cause Ordinance.
- Affordable Housing Bond Program Expansion (\$0.5M): Funding and resolution authority are added for four positions to expand the Affordable Housing Bond Program.
- Affordable Housing Loan Portfolio Program Expansion (\$1.1M): Nine-months funding and resolution authority are added for 11 positions to expand the program's loan servicing and oversight of the housing loan portfolio.
- Customer Service Section Expansion (\$0.5M): Nine-months funding and resolution authority are added for 10 positions to expand the customer service section.
- Code Enforcement Administration (\$0.1M): Nine-months funding and resolution authority are added for one position to support the Code Enforcement Section.
- Eviction Defense Program Expansion (\$0.07M): Funding and resolution authority are added for one position to expand the Eviction Defense Program.
- Tenant Protection and Homelessness Prevention Director (\$0.2M): Funding and resolution authority for one position are added to oversee tenant protection and homelessness prevention work.
- Grants Unit Oversight (\$0.1M): Funding and resolution authority are added for one position to oversee the Supportive Housing Services section and other grant funded programs.
- Grants Unit Expansion (\$0.1M): Funding and resolution authority are added for one position to support the Grants Unit.

The Proposed Budget provides continued funding for the following notable program in the Department's budget:

- Accessible Housing Program Staff (\$8.4M): Funding and resolution authority are continued for 78 positions to meet the requirements associated with the Independent Living Center of Southern California Settlement Agreement and Voluntary Compliance Agreement with the U.S. Department of Housing and Urban Development.

Information Technology Agency: The Information Technology Agency's total budget is decreased by \$13.7M from 2024-25 levels to \$87.5M. Changes proposed for the Department's budget include:

- Deletion of 54 Filled Positions: Regular authority for 54 positions (-\$6.6M) is deleted.
- Deletion of 32 Vacant Positions: Regular authority for 32 positions (-\$3.8M) is deleted.

- Expense Account Reduction (-\$5.3M): Funding is deleted in various accounts including Contractual Services, Communication Services, and Operating Supplies.
- 311 Technical Resource Support (\$0.1M): Funding and regular authority are added for one position to support the 311 Call Center Services Section.
- Enterprise Applications Staffing (\$0.5M): Funding is continued and regular authority is added for four positions to support the Human Resources and Payroll project and other enterprise applications.

The Proposed Budget provides continued funding for the following notable programs in the Department's budget:

- Communications Support (\$0.7M): Funding and resolution authority are continued for six positions for the operation and maintenance of the City's data and wireless communications systems.
- Network Outage Prevention (\$0.5M): One-time funding is continued for the Communication Services Account to replace obsolete network routers and switches.

Library: The Charter-mandated appropriation to the Library Department is increased by \$13.3M for a total budget of \$269.8M in 2025-26. Changes proposed for the Department's budget include:

- Security Services Enhancement (\$1.2M): Funding is added for security services at all Library locations.
- Workplace Violence Prevention Administration (\$0.05M): Nine-months funding and regular authority are added for one position to provide clerical support for workplace violence prevention programs.
- Library Materials (\$1M): Funding is added in the Library Materials Account to purchase new library books and materials to meet the needs of the public and improve service to neighborhoods.
- Integrated Library System Support Team (\$0.07M): Nine-months funding and regular authority are added for one position to support and implement the Integrated Library System.
- Branch Libraries Alterations and Improvements (\$9.5M): One-time funding is added to fund alterations and improvements projects at branch libraries.
- Central Library Alterations and Improvements (\$5.1M): One-time funding is added for Central Library alterations and improvements.

Additionally, the Department will reimburse the General Fund a total of \$59.8M for pensions, health, Medicare benefits, and other related costs.

Neighborhood Empowerment: The Department of Neighborhood Empowerment's total budget is decreased by \$0.8M from 2024-25 levels to \$3.1M. Changes proposed for the Department's budget include:

- Deletion of Five Filled Positions: Regular authority for five positions (-\$0.5M) is deleted.

- Deletion of Three Vacant Positions: Regular authority for two positions (-\$0.2M) and resolution authority for one position is deleted.
- Neighborhood Council Services Administration (\$0.09M): Funding is continued and regular authority is added for two positions to provide administrative and clerical support for Neighborhood Councils.

Personnel: The Personnel Department's total budget is decreased by \$7.7M from 2024-25 levels to \$75.4M. Changes proposed for the Department's budget include:

- Deletion of 72 Filled Positions: Regular authority for 68 positions (-\$7.2M) is deleted and resolution authority for four positions is not continued.
- Deletion of 50 Vacant Positions: Regular authority for 49 positions (-\$5.5M) is deleted and resolution authority for one position is not continued.
- Expense Account Reductions (\$2.8M): Funding is reduced in various accounts including Contractual Services and Salaries, As-Needed.
- City Employees Rideshare Funding Adjustment (\$0.2M): Funding is added to the Office and Administrative (\$0.1M) and Employee Transit Subsidy (\$0.1M) accounts to support the Commute Options and Parking Program. The Contractual Services Account is reduced by \$0.02M. Funding is provided by the City Employees Ridesharing Fund.
- Commuter Management System (\$0.3M): One-time Contractual Services funding is added to implement a commuter management system. Funding is provided by the City Employees Ridesharing Trust Fund.
- Forensic Evidentiary Examinations (\$0.8M): Contractual Services funding is added to address cost increases for forensic evidentiary examinations.

Police Department: The Police Department's operating budget is increased by \$6.1M from 2024-25 levels to \$1.99B. Based on the Police Department's budget allocation, the Department's share of unrestricted revenue will increase from 45.9 percent (\$3.1B of \$6.7B) in 2024-25 to 47.1 percent (\$3B of \$6.4B) in 2025-26. Each one percent equates to approximately \$64M. Unrestricted revenues are General Fund receipts which may be used for any municipal purpose. \$45.3M in MICLA financing is also included for the purchase of various police non-patrol vehicles and two helicopters. Changes proposed for the Department's budget include:

- Deletion of 406 Filled Positions: Regular authority for 403 civilian positions (-\$42.4M) is deleted and resolution authority for three positions is not continued.
- Sworn Deployment Adjustment (-\$6.4M): Funding is reduced in the Salaries Sworn Account to reflect savings from starting 2025-26 with 8,689 filled sworn positions as opposed to the 8,733 positions funded in the base budget.
- Sworn Hiring Plan (\$21.8M): Funding is added in the Sworn Salaries account to hire to a force of 8,639 sworn officers. Planned hiring for 2025-26 is 480 sworn officers.
- Sworn Attrition (-\$17.9M): Funding in the Salaries Sworn Account is reduced to reflect the attrition of 530 sworn officers.

- Sworn Overtime Usage Adjustment (\$7.1M): Funding is added in the Overtime Sworn Account to provide cost-of-living increases and maintain funded overtime hours for reimbursable (\$1.1M) and non-reimbursable (\$5.9M) overtime deployments.
- Expense Account Reduction (\$33.2M): Funding is reduced in various accounts including Overtime Sworn and Contractual Services.
- Civilian Hiring Reduction (-\$8.5M): Funding is reduced in the Salaries General Account to reflect savings from a reduction in civilian hiring from 288 to 144 in 2025-26 for a total employment of 2,534 civilian employees.
- Bandit Taxicab Reduction (-\$0.6M): Funding is reduced in the Overtime Sworn Account to reflect the elimination of bandit taxicab enforcement.
- Vehicle Recycling Program (\$3M): Contractual Services funding is added to compensate vehicle recycling contractors for dismantling and recycling abandoned vehicles that are not sold at auction.

The Proposed Budget provides continued funding for the following notable program in the Department's budget:

- Los Angeles County Metropolitan Transportation Authority (\$93M): Funding and resolution authority are continued for 111 positions in alignment with staffing levels approved by Metro for the ninth year of the contract to provide policing for critical Metro infrastructure. Funding and resolution authority are added for five positions consisting of one Police Officer III and four Police Sergeant IIs to provide supervision of expanded service at the Airport Metro Connector and Emergency Operations Center. Resolution authority for three positions is not continued.

Public Accountability: The Office of Public Accountability's total budget is decreased by \$0.2M from 2024-2025 levels to \$3.9M. Contractual Services funding (\$0.4M) is added to conduct a comprehensive rate review.

Public Works Board: The Board of Public Works' total budget is decreased by \$0.8M from 2024-25 levels to \$26.7M. Changes proposed for the Board's budget include:

- Deletion of 14 Filled Positions: Regular authority for six positions (-\$0.9M) is deleted and resolution authority for eight positions is not continued.
- Deletion of Seven Vacant Positions: Regular authority for four positions (-\$0.4M) is deleted and resolution authority for three positions is not continued.
- Graffiti Abatement (-\$1.2M): Contractual Services funding is reduced for graffiti abatement services (-\$0.7M) and deleted for the Graffiti Abatement Pre-Apprenticeship Program (-\$0.5M) due to increases to the State prevailing wage rates.

Although not included in the Board's budget, Exhibit H recommends the following:

- Transfer oil regulation functions from the Board to the Department of City Planning.
- Transfer of the Board's Office of Forest Management, consisting of two positions, to the Bureau of Street Services' Urban Forestry Division.

- Delete the Climate Emergency Mobilization Office and the Climate Emergency Mobilization Commission (five filled positions within the Climate Emergency Mobilization Office, including the Climate Emergency Mobilization Officer are deleted within the Board's Proposed Budget).

Public Works Contract Administration: The Bureau of Contract Administration's total budget is decreased by \$4.5M from 2024-25 levels to \$46.7M. Changes proposed for the Bureau's budget include:

- Deletion of 31 Filled Positions: Regular authority for 29 positions (-\$3.5M) is deleted and resolution authority for two positions is not continued.
- Deletion of 22 Vacant Positions: Regular authority for 13 positions (-\$1.4M) is deleted and resolution authority for nine positions is not continued.
- Convention Center Special Projects (\$0.1M): Three-months funding and resolution authority are added for three positions to provide inspection services for the Los Angeles Convention Center Expansion and Modernization Project.
- United to House LA Compliance (\$0.2M): Nine-months funding and resolution authority are added for two positions to monitor and enforce state-mandated prevailing wage requirements and ensure compliance on all applicable United to House LA construction projects.
- Measure W Project Support (\$0.2M): Nine-months funding and resolution authority are added for two positions to provide inspection services for Safe, Clean Water Program projects.
- Services to DWP Expansion (\$0.5M): Nine-months funding and resolution authority are added for two positions to provide increased inspection and contract compliance services on major DWP construction projects. These positions will be fully reimbursed by DWP.

Public Works Engineering: The Bureau of Engineering's total budget is decreased by \$7M from 2024-25 levels to \$113.7M. Changes proposed for the Bureau's budget include:

- Deletion of 84 Filled Positions: Regular authority for 77 positions (-\$9.5M) is deleted and resolution authority for seven positions is not continued.
- Deletion of 47 Vacant Positions: Regular authority for 28 positions (-\$3.7M) is deleted and resolution authority for 19 positions is not continued.

The Proposed Budget provides continued funding for the following notable programs in the Bureau's budget:

- Convention Center Project (\$1M): Funding and resolution authority are continued for six positions to support the Los Angeles Convention Center Expansion and Renovation Project.
- DWP Stormwater Capture Parks Projects (\$0.9M): Funding and resolution authority are continued for six positions to provide design and construction management services for DWP stormwater capture projects. These positions will be fully reimbursed by DWP.

- Sidewalk Access Request Support (\$0.9M): Funding and resolution authority are continued for six positions to support sidewalk repairs.
- Homelessness Facilities Projects Support: Resolution authority is continued for one Civil Engineer to support homeless facilities projects. Funding is provided through interim appropriations from program funds.

Public Works Sanitation: The Bureau of Sanitation’s total budget is decreased by \$5.8M from 2024-25 levels to \$411.6M. Changes proposed for the Bureau’s budget include:

- Deletion of 159 Filled Positions: Regular authority for 17 positions (-\$1.7M) is deleted and resolution authority for 142 positions is not continued.
- Deletion of 79 Vacant Positions: Regular authority for 22 positions (-\$2.3M) is deleted and resolution authority for 57 positions is not continued.
- recyclA Expenses (\$2.2M): One-time Contractual Services funding is added for a new request for proposals for hauling franchises.
- Advanced Water Purification Facility Support (\$2.7M): Nine-months funding and resolution authority are added for 33 positions to support Advanced Water Purification facilities. These positions will be fully reimbursed by DWP.
- Air Pollution Control and AQMD Compliance (\$0.7M): Nine-months funding and resolution authority are added for nine positions to perform regulatory compliance work at the Hyperion Water Reclamation Plant.
- Clean Water Conveyance 24/7 Operations (\$1.1M): Nine-months funding and resolution authority are added for 17 positions to support round-the-clock water conveyance maintenance and operational needs.
- Clean Water Fiscal Management (\$0.7M): Nine-months funding and resolution authority are added for eight positions to provide fiscal management to the Clean Water Program.
- Conveyance Support (\$1M): Funding and regular authority are added for 11 Wastewater Conveyance Operator IIs to inspect and clean sewers, siphons, maintenance holes, catch basins, and other facilities across the City.
- Green Infrastructure Maintenance (\$0.3M): Nine-months funding and resolution authority are added for four positions to maintain green infrastructure components of Proposition O and Measure W projects.
- Membrane Bioreactor Facility Support (\$0.5M): Nine-months funding and resolution authority are added for six positions to provide maintenance and operations support to the Membrane Bioreactor pilot facility at the Hyperion Water Reclamation Plant.
- Primary Tank Cleaning Coverage and Support (\$1M): Nine-months funding and resolution authority are added for 14 positions to perform maintenance work at the Hyperion Water Reclamation Plant.
- Comprehensive Plastics Reduction Enforcement (\$0.1M): Nine-months funding and resolution authority are added for one Environmental Compliance Inspector to support enforcement of ordinances under the Comprehensive Plastics Reduction Program.

- Program Management System (\$0.9M): One-time Operating Supplies funding is added to support and maintain software for the Clean Water Program.

Public Works Street Lighting: The Bureau of Street Lighting’s total budget is decreased by \$2.8M from 2024-25 levels to \$48.5M. Changes proposed for the Bureau’s budget include:

- Deletion of One Filled Position: Resolution authority for one position is not continued.
- Deletion of 30 Vacant Positions: Regular authority for 13 positions (-\$1.5M) is deleted and resolution authority for 17 positions is not continued.
- Urban Transit Amenities (\$0.5M): Nine-months funding and resolution authority are added for six positions to support the Bureau of Street Services-managed Urban Transit Amenities Program.
- DWP MOU: Exhibit H instructs CAO to negotiate an MOU with DWP for a \$7.7M work plan for the Bureau.

The Proposed Budget provides continued funding for the following notable programs in the Bureau’s budget:

- Copper Wire Theft Replacement Program (\$6M): Funding and resolution authority for 29 positions and one-time funding are continued to support the replacement of copper wire stolen from streetlights and street lighting facilities. Three vacant positions are not continued.
- Streetlight Fortification Against Copper Wire Theft (\$5M): Funding and resolution authority for 13 positions and one-time funding are continued to strengthen street lighting access points against copper wire and power theft. Two vacant positions are not continued.
- Co-Location Small Cell Communication (\$4.4M): Funding and resolution authority for 28 positions and one-time funding are continued to install small cell communication equipment on street lights. Costs will be fully reimbursed by telecommunication companies. Four vacant positions are not continued.

Public Works Street Services: The Bureau of Street Services’ total budget is decreased by \$39.4M from 2024-25 levels to \$168.6M. Changes proposed for the Bureau’s budget include:

- Deletion of 152 Filled Positions: Regular authority for 109 positions (-\$11.5M) is deleted and resolution authority for 43 positions is not continued.
- Deletion of 138 Vacant Positions: Regular authority for 87 positions (-\$7.5M) is deleted and resolution authority for 51 positions is not continued.
- Expense Account Reduction (-\$29.4M): Funding is reduced in various accounts including Contractual Services, Operating Supplies, and Construction Expenses.
- General Investigation and Enforcement Expansion (\$0.5M): Funding and resolution authority are added for five Street Services Investigators to provide general enforcement services.

- Pavement Preservation Program Access Ramps (\$1.3M): Funding and resolution authority are added for 11 positions and nine-months funding and resolution authority are added for three positions to support the Pavement Preservation Program and related access ramp work.
- Pavement Preservation Staff (\$0.5M): Funding and resolution authority are added for seven positions to support the Pavement Preservation Program.
- DWP MOU: Exhibit H instructs CAO to negotiate an MOU with DWP for a \$7M work plan for the Bureau.

Recreation and Parks: The Charter-mandated appropriation to the Department of Recreation and Parks is increased by \$7.7M, with the total budget for the Department increased by \$6.3M from 2024-25 levels to \$354.3M. Changes proposed for the Department's budget include:

- Deletion of Six Filled Position: Resolution authority for six positions is not continued.
- Deletion of 168 Vacant Position: Regular authority for 144 positions (-\$12.2M) is deleted and resolution authority for 24 positions is not continued.
- Expense Account Reduction (-\$5.8M): Funding is reduced in various accounts including Overtime General, Hiring Hall Salaries, and Operating Supplies.
- Funding for Partially Financed Facilities (\$0.2M): Funding is added to provide full-year funding for building and facilities, land maintenance, and recreational programming for facilities that were partially financed in 2024-25.
- New and Expanded Facilities (\$1M): 11-months funding and regular authority for one position and seven-months funding and regular authority for four positions are added to support various new and expanded facilities based on their scheduled opening dates. Funding is also added to various accounts to support this work.
- Pool Materials and Chemicals (\$0.9M): Funding is added for pool materials, chemicals, and paint to operate Citywide pools.
- Brush Clearance (\$0.4M): Contractual Services funding is added for the Brush Clearance Program.
- New Facilities Assessment (\$0.1M): Funding is continued and regular authority is added for one position to support a new facilities assessment.
- Park and Park Facility Project Delivery (\$0.4M): Funding is continued and regular authority is added for three positions to support park capital improvement projects.
- Adaptive Sports Program (\$0.2M): Funding is continued and regular authority is added for two positions to support the Citywide Adaptive Sports Program.
- Community School Parks Program (\$0.1M): Funding is continued and regular authority is added for one position to continue the Community School Parks Program.
- Recreational Services (\$1.4M): Funding is continued and regular authority is added for 20 positions to operate recreation centers, supervise part-time staff, and coordinate equity-based programs.
- Park Facility Repairs and Construction (\$0.9M): Funding is continued and regular authority is added for eight positions to maintain park facilities Citywide.

- Park Ranger Staffing (\$0.6M): Funding is continued and regular authority is added for seven positions to staff the communications center and maintain park safety.
- Forestry Division Support (\$0.4M): Funding is continued and regular authority is added for six positions to perform park tree maintenance, emergency response, and brush clearance.
- Park Maintenance Support (\$0.5M): Funding is continued and regular authority is added for five positions to support Citywide park maintenance.

The Proposed Budget provides continued funding for the following notable program in the Department's budget:

- Childcare Centers (\$0.9M): Funding and resolution authority are continued for 11 positions for the operation of child care centers.

Additionally, the Department will reimburse the General Fund a total of \$107.1M for pensions, health, Medicare benefits, and other related costs.

Transportation: The Department of Transportation's total budget decreased by \$13.2M from 2024-25 levels to \$216.6M. Changes proposed to the Department's budget include:

- Deletion of 271 Filled Positions: Regular authority for 196 positions (-\$18.8M) is deleted and resolution authority for 75 positions is not continued.
- Deletion of 152 Vacant Positions: Regular authority for 136 positions is deleted (-\$12.6M) and resolution authority for 16 positions is not continued.
- Expense Account Reduction (-\$7.1M): Funding is reduced in various accounts including Contractual Services.
- Advanced Planning and Project Development (\$0.3M): Nine months funding and resolution authority are added for two positions to advance and support capital planning.
- Striping and Markout Support (\$0.7M): Funding and resolution authority are added for nine positions to support traffic lane striping, pavement markings, crosswalks, and other traffic paintings Citywide.
- 2028 Games Paint and Sign Support (\$2.4M): Nine-months funding (\$0.2M) and resolution authority are added for three positions to complete striping, crosswalk, and pavement markings projects in the one-mile radius of the 2028 Games venues and along the limits of the Active Transportation Projects corridors. Funding is also added to various accounts for this work.
- Risk Mitigation and Litigation Support (\$0.2M): Nine-months funding and resolution authority are added for two positions to provide risk mitigation, litigation support, and expert witness services.

The Proposed Budget provides continued funding for the following notable program in the Department's budget:

- Metro Annual Work Program (\$6.4M): Funding and resolution authority are continued for 52 positions to support Metro related projects and programs.
- Transportation-Related Planning for 2028 Games (\$0.5M): Funding and resolution authority are continued for four positions in support of the 2028 Games.

- Mobility Plan – Healthy Streets (\$0.2M): Funding and resolution authority are continued for two positions to support Mobility Plan implementation.
- Speed Hump and Speed Table Program for Schools (\$0.3M): Funding and resolution authority are continued for three positions to implement a Speed Hump and Speed Table Program for schools.
- Crossing Guard Services (\$5.3M): Funding (\$0.1M) and resolution authority are continued for one position to provide oversight of school crossing guards. Funding (\$5.2M) is added in the Salaries, As-Needed Account to support salary increases and maintain the current service levels of crossing guards.

Youth Development: The Youth Development Department’s total budget is decreased by \$0.7M from 2024-25 levels to \$1.6M. Changes for the Department’s budget include:

- Deletion of Eight Filled Positions: Regular authority for four positions (-\$0.4M) is deleted and resolution authority for four positions is not continued.
- Deletion of One Vacant Position: Resolution authority for one position is not continued.
- Evaluation, Data and Project Management (\$0.2M): Funding is continued and regular authority is added for two positions to oversee implementation of the Citywide Youth Development Strategic Plan and to analyze youth development related data from City departments and other agencies.

The Proposed Budget provides continued funding for the following notable programs in the Department’s budget:

- Community Engagement (\$0.05M): Funding and resolution authority are continued for one position to respond to inquiries from the public and to support the Olivia E. Mitchell L.A. City Youth Council.
- Youth Protection (\$0.1M): Funding and resolution authority are continued for one position to support the youth protection system.

Although not included in the Department’s budget, Exhibit H recommends the consolidation of community services and transfer of the Youth Development Department to the Community Investment for Families Department to form a new “Youth Services” Division and includes the following instructions:

- Add one new position: Chief Management Analyst or Assistant Chief Grants Administrator;
- Transfer nine positions; and
- Deletion of one position: Executive Director, Youth Development Department.

Zoo: The Zoo Department’s total budget is increased by \$0.8M from 2024-25 levels to \$31.8M. Changes for the Department’s budget include:

- Deletion of 31 Filled Position: Regular authority for 30 positions (-\$2M) is deleted and resolution authority for one position is not continued.
- Deletion of 23 Vacant Position: Regular authority for 21 positions (-\$1.6M) is deleted and resolution authority for two positions is not continued.

- Support Services Contracts (\$2M): Contractual Services funding is added to provide funding for new support services contracts.
- Expense Account Reduction (-\$0.9M): Funding is reduced in various accounts including Animal Food/Feed and Grain and Veterinary Supplies and Expense.
- Oak Woodland Restoration Staff Support (\$0.04M): One-time funding is added to support the Zoo's Oak Woodland Restoration.
- Marketing Support (\$0.9M): Nine-months funding and resolution authority for two positions and Contractual Services (\$0.8M), Office and Administrative, and Operating Supplies funding are added to provide marketing services for the Zoo.
- Fundraising Program (\$0.4M): Contractual Services funding is added to establish the Fundraising Program.
- Website Development and Maintenance Fees (\$0.6M): Funding is added for annual website maintenance and consulting fees. One-time funding is added for website development and implementation.
- Publications Support (\$0.4M): Contractual Services funding is added to provide publications support.

Proposed Changes to Non-Departmental Budgets/Programs

Human Resources Benefits and Workers' Compensation Fund: The Human Resources Benefits and Workers' Compensation Fund (HRB) provides for direct payments, exclusive of personnel and administrative costs, for various human resources benefits provided to City employees. The Proposed Budget increases the appropriation to the HRB programs by \$35M to \$950.7M, which is a 3.8 percent increase from the 2024-25 Adopted Budget.

The Proposed Budget includes various assumptions with regard to healthcare costs, number of employees hired, and costs associated with Workers' Compensation. The increase is partially due to the increased costs for benefits as follows:

- Civilian Benefits Program (\$30M): Rates for 2025-26 are projected to increase by five percent for health benefits with no change for dental benefits. The projected cost assumes a three percent reduction in enrollment.
- Fire Health and Welfare Program (\$4.6M): Rates for 2025-26 are projected to increase by 3.7 percent to 6.2 percent for health and two percent for dental benefits. The projected cost assumes no change in enrollment.
- Police, Health and Welfare Program (\$5.1M): Rates for 2025-26 are projected to increase by 3.5 percent to 5.1 percent for health and dental benefits. The projected cost assumes a 1.5 percent reduction in enrollment.

In addition to the changes above, a total of \$249.5M would be appropriated to Workers' Compensation. This represents a \$9.8M decrease from the 2024-25 Adopted Budget total of \$259.3M. The Proposed Budget also anticipates a \$4.7M increase in Unemployment Insurance.

General City Purposes (GCP): The Proposed Budget decreases GCP funding for programs and services by \$31.8M to \$310.2M, a reduction of 9.3 percent, from 2024-25 Adopted Budget levels. Notable changes proposed in the GCP include:

- Medicare Contributions (\$76.4M): Funding is increased by \$2.5M to reflect an increase in gross wage earnings of employees subject to Medicare.
- Alliance Settlement Agreement Program (\$3.9M): New funding is added for homelessness services and operations to meet obligations set by the Alliance Settlement.
- Citywide Homeless Interventions (Non-Alliance) (\$26.2M): New funding is added to continue existing interim housing interventions.
- Lifeline Reimbursement Program (\$20M): Funding is increased by \$2.9M to reflect the anticipated replacement of the Solid Resources Lifeline Program with a Low-Income Program and estimated program usage.
- City Charter Reform (\$0.5M): New funding is provided to support the City's Charter Reform Commission.
- Office of Major Events (\$2M): New funding is added to support the staffing, supplies, equipment, and contracts for the planning of upcoming major events.
- Homelessness Emergency (Inside Safe) (\$21.7M): Funding is provided to support the Mayor's Office of Housing and Homelessness Solutions, including the Inside Safe Initiative, a Citywide housing-led strategy to move people experiencing homelessness into interim and permanent housing. The Proposed Budget anticipates \$103.9M in total allocation to be available for the Mayor's Office of Housing and Homelessness Solutions with \$35.2M from County-Alliance Memorandum of Understanding, \$22.5M from State Encampment Resolution grant, reappropriation of \$24.5M in 2024-25 balance, and \$21.7M through this GCP allocation.

One-time funding provided in 2024-25 is not continued for the following programs: Additional Homeless Services, Unified Homeless Response Center for Data Project, Innovative Technologies, Promise Zone, and Inside Safe Reserve.

Unappropriated Balance: The Unappropriated Balance (UB) includes funds identified for specific purposes, including contingencies for accounts that may experience shortages to start-up funds for projects or programs that would need funding during the fiscal year, but are not fully developed at the time the budget is adopted. The 2025-26 Proposed Budget includes \$126.6M in the UB, a -\$211.8M decrease from the 2024-25 Adopted Budget allocation of \$338.5M.

The 2025-26 Proposed Budget sets aside funding in the UB for various projects, including the following:

- Animal Services Operations (\$5M): Funding is set aside to restore operations at the West L.A. and West Valley shelter facilities.

- Community Services Efficiencies (\$0.6M): Funding is set aside for the Community Investment for Families Department to enhance the efficiency of community services programs Citywide.
- Department Payroll Reconciliation (\$12M): Funding is set aside to reconcile estimated department salary accounts during the fiscal year to account for approved adjustments against revised employment levels and salary savings. In 2024-25, there was a set aside of \$104.8M for this line item.
- Election Expenses – General Municipal Elections (\$10M): Funding is set aside for the June 2026 Primary Election, which represents the Los Angeles County Registrar-Recorder/County Clerk’s portion of the costs, for up to 10 Council-sponsored ballot measures and eight City Council District office elections.
- Ground Emergency Medical Transport QAF Program (\$30M): Funding is set aside for the quarterly payments and related contractual services cost for the Public Provider Ground Emergency Medical Transport Intergovernmental Transfer Program.
- LAHSA Homeless Engagement Teams (\$3.3M): Funding is set aside for Los Angeles Homeless Services Authority (LAHSA) Homeless Engagement Teams (HETs) to conduct direct outreach to unsheltered homeless individuals, pending a deployment plan for the HETs.
- LAHSA Homeless Outreach Navigators (\$0.5M): Funding is set aside for LAHSA Outreach (System) Navigators to provide navigation services and conduct direct outreach to unsheltered homeless individuals, pending a report on the deployment progress of the Outreach Navigators.
- Mutual Aid Overtime (\$3M): Funding is set aside for sworn overtime for the Fire Department for mutual aid response for fire and disaster response needs outside of the City boundaries.
- Outside Counsel including Workers’ Compensation (\$6M): Funding is set aside for the City Attorney to retain outside counsel to assist in litigation and transactional matters. The funding was increased by \$2.7M from 2024-25. The funding is separate from the \$4.7M budgeted for law firms on the Attorney Conflicts Panel managed by the City Administrative Officer.
- Reserve for Extraordinary Liability (\$20M): Funding is set aside as a reserve for liability payouts resulting from judgments or settlements.
- Reserve for Mid-Year Adjustments (\$30M): Funding is set aside to address shortfalls that may arise during 2025-26.

Vision Zero Initiative: The concept of the Vision Zero Initiative is to achieve the goal of zero traffic fatalities in the City by 2025, prioritizing safety over faster traffic flows when planning and reconstructing roads. The Proposed Budget appropriates \$40.1M across multiple departments, including the Department of Transportation, Police, Bureau of Street Services, Bureau of Engineering, Bureau of Street Lighting, and General Services Department, for activities that support the Vision Zero Initiative; a \$1.1M increase from the 2024-25 Adopted Budget. New funding is included for Vision Zero Education and Outreach (\$1M) and Automated Speed Enforcement (\$4.8M). Funding is deleted for Vision Zero Contract Mid-Block Crosswalk Illumination Improvement Fund (-\$0.7M).

Proposition A Local Transit Assistance Fund: The Proposed Budget appropriates \$321.8M, which represents a 48.5 percent increase from the 2024-25 Adopted Budget. The Proposition A Schedule is balanced by eliminating a total of \$141.4M of prior year appropriations, including transit operations expansion (\$18M), transit operations (\$85M), bus facility purchase program (\$28.2M), marketing (\$1.6M), and other related items (\$8.6M).

The required level of funding of transit service is approximately \$291.1M annually and the annual ongoing revenue within the Proposition A Fund is approximately \$190M, resulting in a structural deficit of approximately \$101.1M annually. Consistent with Council direction (C.F. 18-0244), the Proposed Budget notes that the Department of Transportation will submit to the Mayor and Council an updated Transit Services Analysis with options to resolve the ongoing structural deficit in future years.

The Proposed Budget reduces funding for Specialized Transit to \$8.3M, including reductions for Bikeshare Operations and Maintenance and Cityride Fare Card. Funding for Transit Facilities (\$7.6M) is also decreased, including a reduction to Transit Facility State of Good Repair (\$3.8M). New funding is provided or increased for:

- Marketing City Transit Program (\$1.9M): Increased funding for customer service and marketing of City transit services.
- Reimbursement for Metro Bus Pass Sales (\$0.2M): Increased funding to reimburse Metro. The Transit Store sells bus passes and the proceeds are deposited into City accounts.
- Transit Operations (\$220.9M): Increased funding for DASH, Commuter Express, and Cityride transit operations, including fuel reimbursements.
- Paratransit Program Coordination Services (\$1.6M): Increased funding for Cityride program services, including registration, distribution of transit scrip, collection of revenue, and automation.
- Senior Youth/Transportation Charter Bus Program (\$1M): Increased funding for contracted charter bus trips scheduled by the Mayor's Office and Council Offices for recreational and educational purposes.
- Consultant Services for Electrification (\$2M): New funding for consultant design services for bus yards.
- Facility Upgrades for Electrification (\$17.4M): New funding for additional facility upgrades at the Bus Facility Transit Yards.
- Harbor City Zero Emission Bus Yard Development (\$25.5M): New funding for the development of the Harbor City Bus Yard.
- Smart Technology for DASH and Commuter Express Buses (\$7.5M): New funding for upgrading bus technologies on DASH and Commuter Express buses.

Funding is not continued for Transit Sign Production and Installation (\$0.3M), Bikeshare Operations and Maintenance (\$6M), Commuter Express – Fleet Replacement (\$14M), and other support programs.

Proposition C Anti-Gridlock Transit Improvement Fund: The Proposition C Fund receives revenue from the one-half cent sales tax increase approved by County of Los Angeles voters in 1990. The Proposed Budget appropriates \$117.1M, which represents a 16.2 percent decrease from the 2024-25 Adopted Budget. The Proposition C Schedule continues funding for several ongoing programs through Departmental Appropriations (\$69.1M), including the Metro Annual Work Program and the Transportation Grant Fund Work Program; and also provides funding for reimbursement of General Fund Costs (\$48M).

Measure M Local Traffic Relief and Rail Expansion Fund: In November 2016, Los Angeles County voters approved an additional one-half cent sales tax, with an increase to one percent on July 1, 2039, with revenue to be used for various transportation improvements.

The Proposed Budget anticipates \$113.9M in Measure M funding, a 19 percent increase from 2024-25, for several continued programs and the following new or increased programs:

- Bureau of Contract Administration (\$2.2M): Funding is increased to support inspection and contract compliance for street projects including traffic signal construction.
- Bureau of Engineering (\$2.2M): Funding is increased for traffic signal and left turn signal project design, for support and administration of transportation projects, and for support and administration of a bridge program strategic plan.
- Bureau of Street Lighting (\$1.4M): Funding is increased for traffic signal design work and street lighting elements of transportation and Vision Zero programs.
- Transportation (\$17M): Funding is increased to provide staffing for the Vision Zero program and other active and sustainable transportation initiatives.
- CTIEP – Physical Plant (\$24M): Funding is increased for the design and construction of various street and transportation projects, including Active Transportation Program funding gaps, 2028 Games public right-of-way improvements, and wildfire recovery to repair street signs and signals.
- Caltrans Headquarter Expansion (\$3M): Funding is provided to lease floor space and provide tenant improvements for the Department’s Primary Communications Center and Operations Center.
- Computer Hardware Replacement (\$0.4M): Funding is provided to replace computers incompatible with necessary upgrades and security features when Windows 10 reaches its end of life.
- Paint and Sign Maintenance (\$3.5M): Funding is increased to support the purchase of paint and sign maintenance equipment and supplies for striping and pavement markings for City streets. Funds are also provided in the Measure R Local Return Fund (\$0.5M).

- Sidewalk Engineering Consulting Services (\$1.5M): Funding is provided for the Bureau of Engineering to pay for as-needed engineering consulting services in accordance with the Willits Settlement Agreement.
- Sidewalk Repair – BSS Crews (\$2.3M): Funding is provided to reimburse the Bureau of Street Services for sidewalk repair in accordance with the Willits Settlement Agreement.
- Sidewalk Repair Contractual Services (\$1.6M): Funding is provided to continue sidewalk repair activities and improvements as needed in accordance with the Willits Settlement Agreement.
- Vision Zero Education and Outreach (\$1M): Funding is provided for Vision Zero safety education, outreach, and project engagement.

Funding was not continued for: Concrete Streets (-\$1.1M), Matching Funds – Measure R Projects/LRTP/30-10 (-\$12.5M), Pavement Preservation Program Access Ramps (-\$0.1M), School Speed Limit Updates (-\$0.8M), and Universal Basic Mobility (-\$0.3M).

Measure R Local Traffic Relief and Rail Expansion Fund: The Proposed Budget appropriates \$75M, a 5.5 percent increase from the 2024-25 Adopted Budget. Funding is continued for various projects and programs and new or increased funding is provided for the following:

- Bureau of Engineering (\$0.4M): Funding is increased to support the review of design projects along the High Injury Network for Vision Zero and for engineering design and survey work for pedestrian and bus stop refuge islands.
- Bureau of Street Lighting (\$0.6M): Funding is increased for various Vision Zero related street lighting projects.
- Bureau of Street Services (\$23.7M): Funding is increased for the City Pavement Preservation Program and sidewalk access ramp construction in compliance with the Willits Settlement Agreement.
- CTIEP – Physical Plant (\$2.9M): Funding is increased to support the maintenance of bridges, the implementation of automated speed enforcement cameras, and two street projects.
- Automated Traffic Surveillance and Control (ATSAC) System Maintenance (\$5.4M): Funding is provided for required ongoing maintenance and replacement of equipment, such as cameras, wireless and telephone drop connections, video wall maintenance, video central switcher maintenance, and software licensing.
- HLA Improvements (\$1M): Funding is provided for the additional scope of work required when resurfacing streets in the Mobility Plan.
- Paint and Sign Maintenance (\$0.5M): Funding is provided to support the purchase of paint and sign maintenance equipment and supplies for striping and pavement markings for City streets. Funding is also provided in the Measure M Local Return Fund (\$3.5M).
- Pavement Preservation Program Access Ramps (\$5.5M): Funding is increased to construct sidewalk access ramps under the Pavement Preservation Program.

Funding of \$1.5M is included to construct sidewalk access ramps that are part of the backlog due to prior street resurfacing activities.

- Technology and Communications (\$0.1M): Funding is provided for technology and communication requests.

The Proposed Budget does not continue funding for Matching Funds – Measure R Projects/LRTP/30-10 (\$12.5M) in 2025-26 as funds are provided in the Proposition A Local Transit Assistance Fund.

Local Transportation Fund: Funds from one-fourth of one percent of the sales tax are allocated annually on a per capita basis to develop bicycle and pedestrian facilities. Local agencies may either draw down these funds or place them in reserve. Funds must be spent within the fiscal year in which they have been allocated.

The Proposed Budget includes total revenues of \$3.5M, which reflects a 47.5 percent decrease from the 2024-25 Revenue Estimate. The Proposed Budget allocates funding for CTIEP – Physical Plant (\$1.2M), San Fernando Road Bike Path Phase 3 Metrolink Local Match (\$1.5M), and Sidewalk Repair Contractual Services (\$0.8M).

Special Parking Revenue Fund: The Special Parking Revenue Fund collects receipts from parking meters and City-owned public parking lots. Funds may be used for purchasing, installing, maintaining, and operating parking meters and metered spaces; collection of meter revenue and related expenses; purchasing, improving, and operating off-street parking facilities; painting and marking street curbs; repaying borrowed City funds; and paying debt service costs for off-street facilities.

The Proposed Budget provides \$51.2M, a 9.2 percent decrease from 2024-25. Funding is continued for: maintenance of City-owned public surface lots and parking garages, the purchase and installation of upgraded parking meters and pay stations to replace older models, capital equipment purchases, contractual services, and full reimbursement of General Fund related costs.

Funding is not continued for miscellaneous equipment (-\$0.06M), parking facilities lease payments (-\$0.8M), parking studies (-\$0.04M), and travel and training (-\$0.03M).

California Motor Vehicle Fuel (Gasoline) Tax:

Special Gas Tax Improvement Fund: Monies are received from the State’s Excise Tax on the sale of gasoline and from federal reimbursements from the Surface Transportation Program – Local, and provide funding to various departments and to the CTIEP – Physical Plant for eligible activities and projects.

The Proposed Budget provides \$116.5M in gas tax funds, a 2.3 percent decrease from 2024-25, across departments for various projects and programs, including street and safety improvements, and the following new appropriations:

- Petroleum Products (\$2.6M): Funding is provided for the procurement of petroleum and petroleum-related products for asphalt production and fueling vehicles used for street maintenance.
- CTIEP – Physical Plant (\$3.4M): Funding is provided for LED replacement for traffic signals.

Road Maintenance and Rehabilitation Program (RMRA) Special Fund (SB1 Fund): Funds are provided to cities and counties to address basic road maintenance, rehabilitation, and critical safety needs on the state highway system and the local street and road system through fuel excise taxes, diesel fuel sales taxes, and vehicle registration fees. In order to receive the upcoming fiscal year’s apportionment of SB 1 funds, the City must annually adopt and submit a planned list of projects to be funded with SB 1 funds, no later than July 1st of any given year, to the California Transportation Committee.

The Proposed Budget provides \$164.7M, a 31 percent increase from 2024-25, for various continued programs and the following new or increased programs:

- CTIEP – Physical Plant (\$102M): Funding is increased for the design and construction of various street projects and safety-related projects.
- Pavement Preservation Access Ramps (\$28M): Funding is provided for Access Ramp work conducted as part of the Pavement Preservation Program.

Funding was not continued for: Automatic Traffic Surveillance and Control Maintenance System (-\$5M) and Cool Pavement (-\$1M).

Street Damage Restoration Fee Fund: The Street Damage Restoration Fee (SDRF) Special Fund receives revenues from the SDRF, which was established in 1998 to reimburse the City for damage to City streets caused by excavations or other work performed by entities required to obtain a permit to excavate in a public street. SDRF funds may be used for the maintenance, resurfacing, repair, and reconstruction of asphalt streets, and related staffing and support.

The Proposed Budget projects \$51.6M in revenue generated by the SDRF, which is a 25.5 percent decrease from the estimated revenue in 2024-25 of \$69.3M. The SDRF is no longer at cost recovery and requires an \$8.6M General Fund Subsidy.

The Proposed Budget for the SDRF Fund includes \$40.3M in department appropriations to various City departments and bureaus for street maintenance, preservation, and repair-related activities.

Stormwater Pollution Abatement Fund: The Proposed Budget includes \$30.8M in the Stormwater Pollution Abatement (SPA) Fund, which is a 32.3 percent decrease from the 2024-25 Adopted Budget.

The SPA charge is a fee imposed on all properties in the City based on stormwater runoff and pollutant loading associated with property size and land use. SPA funds are used to treat and abate stormwater per guidelines provided by the U.S. Environmental Protection Agency.

The State's Regional Water Quality Control Board, Los Angeles Region (Regional Board) regulates the treatment and abatement of stormwater through a National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) Permit. The City's NPDES MS4 permit authorizes the City to discharge stormwater into U.S. waters. The SPA charge has not been adjusted since 1993. The existing SPA charge of \$1.92 per month for a typical single-family home is insufficient to cover the costs of meeting NPDES MS4 Permit requirements. The Proposed Budget provides SPA with a General Fund Subsidy of \$19.9M.

Since 2021-22, the City has used its SPA funds to support the City's flood control program, enforcement against illicit discharge activities, stormwater education, and non-capital expenses associated with maintaining its NPDES MS4 permit. The Proposed Budget for the SPA Fund also includes \$22.1M for various City departments, offices, and bureaus for the cost of stormwater related activities.

Measure W Local Return Fund: The Proposed Budget includes \$48.4M in the Los Angeles Region Safe, Clean Water Program (Measure W) Local Return Fund.

On November 6, 2018, Los Angeles County voters approved Measure W, a parcel tax of 2.5 cents per square foot of impermeable surface to support the costs of stormwater related projects and activities. Measure W can be used to fund Enhanced Watershed Management Plan projects and the operation and maintenance of completed water quality improvement projects.

Forty percent of Measure W revenues are allocated to municipalities in the same proportion as the amount of revenues collected within each municipality. The City is expected to receive \$36.3M in 2025-26. Funding (\$0.2M) for two new positions in the Bureau of Contract Administration is included for construction inspection services and support.

The Proposed Budget for the Measure W Local Return Fund includes:

- CTIEP – Physical Plant (\$15M): Provided for seven water quality and water supply projects in the CTIEP - Physical Plant Budget.
- Departmental Appropriations (\$10.8M): Provided to various City departments, offices, and bureaus for the cost of stormwater related activities.
- Feasibility Studies (\$1.8M): Provided for feasibility studies of water quality projects to be submitted for funding consideration as part of the Measure W Regional Call for Projects.

- **Regional Project Development & Revolving Funds (\$5.2M):** Provided for the initial development of regional water quality projects and is to be used as a revolving fund for potential match or front-funding requirements for regional funding.

Accessible Housing Program: A total of \$112.4M is included in the Proposed Budget for the Accessible Housing Program, which includes a \$27.6M (19.7 percent) decrease from 2024-25. Relative to the class action lawsuit, *Independent Living Center of Southern California v. the City of Los Angeles, et al*, the Settlement Agreement, approved in 2016, requires the City to invest \$200M over 10 years for Program implementation and the production of 4,000 accessible rental housing units. In 2019, the City entered into a Voluntary Compliance Agreement with the U.S. Department of Housing and Urban Development to produce 4,031 accessible rental housing units within 10 years by retrofitting 3,100 existing units and financing new units. Funding in 2025-26 will produce up to 389 accessible units toward the City's 4,000 unit goal.

The Proposed Budget allocates \$39.4M from the General Fund, \$21.9M in Special Funds (Proposition HHH funds and other Housing Department funding sources), and \$51.2M in funding from Other Funds (subsidies from other sources including low income housing tax credits, federal, state, and county funds) to satisfy the terms of the related Settlement Agreement.

The Proposed Budget includes funding to the Housing Department and the City Attorney for administrative costs to implement the requirements of the Settlement Agreement (\$10.8M), and funding in the Special Purpose Fund Appropriations for costs associated with retrofits (\$12M), system upgrades to meet data collection and reporting requirements (\$2M), and a Chief Architect (\$4.3M).

Affordable Housing Trust Fund: Established in 2000, the City's Affordable Housing Trust Fund (AHTF) finances the acquisition, rehabilitation, and construction of affordable housing throughout the City. The AHTF has historically been funded with various sources, including the Consolidated Plan's allocation of HOME and CDBG funds, redevelopment funds, and other state and federal resources.

HOME and CDBG funds (\$27.4M) were allocated to the AHTF in the 2024-25 Consolidated Plan (PY 50). The 2025-26 Consolidated Plan (PY 51) is not yet available.

Measure United to House LA (ULA), House LA Fund: A total of \$447.8M is included in the Proposed Budget for the House LA Fund, which includes a \$39.9M (9.8 percent) increase from 2024-25. Measure ULA, approved by the voters in 2022, established an additional tax on the sale and transfer of real property valued over \$5M (adjusted to \$5.15M in 2025) to fund the production and preservation of affordable housing and homelessness prevention programs. Revenue from Measure ULA, also known as the Homelessness and Housing Solutions Tax, is deposited into the House LA Fund.

The Proposed Spending Plan for the House LA Fund includes funding for affordable housing programs and homelessness prevention programs based on the distribution specified in the measure. The affordable housing programs include:

- Multifamily Affordable Housing (\$92.7M);
- Alternative Models for Permanent Affordable Housing (\$92.7M);
- Acquisition and Rehabilitation of Affordable Housing (\$41.2M);
- Homeownership Opportunities, Capacity-Building, and Operating Assistance (\$41.2M); and
- A Program Stabilization Fund to address periodic revenue shortfalls (\$38.7M).

The Proposed Spending Plan for the House LA Fund also includes the following homelessness prevention programs:

- Income Support for Rent-Burdened At-Risk Seniors and Persons with Disabilities (\$47.8M);
- Eviction Defense/Prevention (\$41.2M);
- Tenant Outreach and Education (\$8.2M); and
- Protections from Tenant Harassment (\$8.2M).

The Proposed Budget also includes funding (\$35.8M) for administration costs associated with House LA programs.

Should Measure ULA be invalidated through litigation, the City's General Fund may be obligated to cover any expended funds. It is estimated that \$58.4M in expenses will be incurred through the end of 2024-25.

Capital Finance Administration Fund: The Capital Finance Administration Fund includes \$201M for the debt service costs for outstanding debt issuances to date. This amount is \$11.4M (5.4 percent) less than 2024-25 levels.

MICLA Debt Issuances: The Proposed Budget includes \$165.3M in MICLA Capital Equipment for financing for various items, including:

- General Services Department Vehicle Replacement (\$37M);
- Fire Department Helicopter Replacement (\$21.8M);
- Fire Vehicle Replacement (\$46.1M);
- Police Helicopter Replacement (\$18.1M); and
- Police Vehicle Replacement (\$27.2M).

The Proposed Budget also includes \$107.6M in debt financing for various capital improvements for several municipal facilities, including:

- Asphalt Plant No. 1 – Phase II (\$7.8M);
- Balboa Aquatic Center Phase I (\$5M);
- Capital Program – Zoo (\$2.5M);
- Deferred Maintenance Program (\$6.7M);
- Electric Vehicle Charger Infrastructure (\$4.5M);

- Manchester Junior Arts Center (\$3.6M);
- Reseda Skate Facility (\$3M);
- Sixth Street Park, Arts, and River Connectivity (PARC) Improvement Project (\$17.7M);
- Slauson Connect Recreation Center (\$2M);
- Washington Yard Electrification and Microgrid Project (\$6M); and
- Zoo Capital Infrastructure (\$8.2M).

Additionally, debt financing is proposed for several projects at the Los Angeles Convention Center totaling \$13.8M.

Tax and Revenue Anticipation Notes (TRANS): The 2025-26 Proposed Budget includes funding totaling \$1.4B to pay debt service on TRANS issued to fund the City's annual required contributions to LACERS (\$707.5M, including interest) and Pensions (\$663.6M, including interest). In addition, \$11M in funding is included to pay in interest on \$525M in temporary cash flow borrowing requested by the Controller to permit the City to provide effective cash flow management for the City's General Fund. The net savings to the City for early payment to the pension systems through the issuance of TRANS is approximately \$1.2M.

Fire and Police Pension Fund (LAFPP): The City's 2025-26 contribution to LAFPP is \$638.6M, a decrease of \$21.5M from the 2024-25 Adopted Budget contribution. The contribution rate, as a percentage of salary, is 35.8 percent compared to 38.72 percent in 2024-25. The reduction in contribution is primarily a result of a higher-than-expected rate of return, lower health premiums and subsidies, and the changes in actuarial assumptions.

The Proposed Budget anticipates paying the entire LAFPP contribution in July 2025 through the issuance of Tax and Revenue Anticipation Notes. As a result, the pension fund is expected to gain additional interest earnings on the payment, which would reduce the required City contribution by approximately 3.1 percent. The LAFPP system's funded ratio, using actuarial value of assets, increased from 96.8 percent to 97 percent.

Los Angeles City Employees' Retirement System (LACERS): The City's total 2025-26 contribution to LACERS is \$831.3M, a \$23M decrease from the 2024-25 Adopted Budget contribution. This total includes \$150.6M in payments from Los Angeles World Airports (\$106.3M), Harbor (\$31.7M), LACERS (\$7.8M) and LAFPP (\$4.7M). The City's General Fund portion of the total amount to be paid to LACERS in 2024-25 is \$680.7M, a net \$25.3M General Fund decrease over the 2024-25 required contribution. The City's decreased contribution from 2024-25 is primarily due to a reduction in City budgeted payroll, a decrease in the combined contribution rates, and a one-time true-up credit of \$17.2M based on actual covered payroll for the prior year.

The Proposed Budget anticipates paying the entire General Fund portion of the contribution in July 2025 through the use of Tax and Revenue Anticipation Notes, which will generate a 3.1 percent discount to the City (\$22M). Expressed as a percentage of the

City's budgeted payroll, the Tier 1 contribution rate has decreased from 34.3 percent in 2024-25 to 32.7 percent in 2025-26; Tier 3 contribution as a percentage of salary has been decreased from 31.1 percent to 29.4 percent. These rates include the enhanced benefit cost for Airport Peace Officers who remained in LACERS, which is borne exclusively by the Department of Airports. The final contribution obligation for all other agencies has been adjusted accordingly to apply the full cost to the Department of Airports.

Innovation Fund: Exhibit H requests the City Attorney, with the assistance of the CAO, to prepare and present an ordinance to eliminate the Innovation Fund and the Innovation and Performance Commission.

2025-26 PROPOSED BUDGET
ELIMINATED POSITIONS SUMMARY
(Includes all General, Special, and Grant Funded Positions)

Department	Vacant Position Eliminations		Filled Position Eliminations		Net Position Eliminations	
	Position Count	Direct Cost Savings	Position Count	Net Direct Cost Savings*	Position Count	Total Direct Costs Savings
Aging	4	\$ 310,408	6	\$ 310,570	10	\$ 620,978
Animal Services	49	3,369,492	62	3,009,356	111	6,378,848
Building and Safety	1	108,109	23	1,727,749	24	1,835,858
Cannabis Regulation	1	52,707	-	-	1	52,707
City Administrative Officer	9	1,386,960	11	873,587	20	2,260,547
City Clerk	7	584,103	12	841,839	19	1,425,942
City Planning	83	8,769,128	114	8,422,047	197	17,191,175
Civil, Human Rights and Equity	3	277,048	8	664,537	11	941,585
Community Investment for Families	7	677,687	12	815,221	19	1,492,908
Cultural Affairs	10	694,749	14	612,247	24	1,306,996
Department on Disability	-	-	11	804,692	11	804,692
Economic and Workforce Development	5	466,765	2	105,919	7	572,684
El Pueblo de Los Angeles	1	66,359	1	44,461	2	110,820
Finance	45	4,754,871	-	-	45	4,754,871
Fire-Sworn	-	-	5	782,906	5	782,906
General Services	112	9,404,259	110	6,418,556	222	15,822,815
Housing	-	-	4	254,712	4	254,712
Information Technology Agency	32	3,753,279	54	4,394,425	86	8,147,704
Neighborhood Empowerment	3	290,008	5	309,008	8	599,016
Personnel	50	5,511,684	72	4,996,174	122	10,507,858
Police-Civilian	-	-	403	28,378,913	403	28,378,913
PW Board	7	713,102	14	1,351,932	21	2,065,034
PW Contract Administration	20	2,215,458	31	2,419,519	51	4,634,977
PW Engineering	47	6,254,017	83	7,072,111	130	13,326,128
PW Sanitation	76	7,757,098	159	10,070,220	235	17,827,318
PW Street Lighting	30	3,151,041	-	-	30	3,151,041
PW Street Services	120	10,462,075	130	9,565,966	250	20,028,041
Recreation and Parks	185	14,044,522	-	-	185	14,044,522
Transportation	144	13,293,534	262	18,034,936	406	31,328,470
Youth Development	1	104,366	8	519,825	9	624,191
Zoo	22	1,700,760	31	1,413,319	53	3,114,079
Totals	1,074	\$ 100,173,589	1,647	\$ 114,214,747	2,721	\$ 214,388,336

* Net Direct Cost Savings reflect savings from a full year of direct salaries from the elimination of filled positions (\$168.23 million) minus one-time funding provided to cover approximately four months of direct salary costs until these positions are vacated (\$54.02 million).

Summary of Position Authorities and Eliminated Positions by Department

Department	FY 24-25 Authorized Positions	FY 25-26 Authorized Positions	Vacant Position Deletions	Filled Position Deletions	Total Deletions	Change in Staffing Level
Aging	50	40	4	6	10	-20.0%
Animal Services	378	258	49	62	111	-31.7%
Building and Safety	1129	1110	1	23	24	-1.7%
Cannabis Regulation	63	63	1	0	1	0.0%
City Administrative Officer	172	153	9	11	20	-11.0%
City Attorney	986	989	0	0	0	0.3%
City Clerk	128	109	7	12	19	-14.8%
City Planning	566	379	83	114	197	-33.0%
City Tourism	12	12	0	0	0	0.0%
Civil, Human Rights and Equity	37	26	3	8	11	-29.7%
Community Investment for Families	105	86	7	12	19	-18.1%
Controller	161	159	0	0	0	-1.2%
Council	108	108	0	0	0	0.0%
Cultural Affairs	92	71	10	14	24	-22.8%
Disability	30	19	0	11	11	-36.7%
EWDD	165	159	5	2	7	-3.6%
El Pueblo de Los Angeles	10	8	1	1	2	-20.0%
Emergency Management	31	31	0	0	0	0.0%
Employee Relations Board	3	3	0	0	0	0.0%
Ethics Commission	47	46	0	0	0	-2.1%
Finance	359	314	45	0	45	-12.5%
Fire	3909	4136	0	5	5	5.8%
General Services	1327	1122	112	110	222	-15.4%
Housing	808	882	0	4	4	9.2%
Information Technology Agency	393	306	32	54	86	-22.1%
Mayor	94	94	0	0	0	0.0%
Neighborhood Empowerment	38	30	3	5	8	-21.1%
Personnel	645	523	50	72	122	-18.9%
Police	14013	13612	0	403	403	-2.9%
Public Accountability	9	9	0	0	0	0.0%
PW Board	116	95	7	14	21	-18.1%
PW Contract Administration	388	344	20	31	51	-11.3%
PW Engineering	890	765	47	83	130	-14.0%
PW Sanitation	3591	3504	76	159	235	-2.4%
PW Street Lighting	338	313	30	0	30	-7.4%
PW Street Services	1337	1073	120	130	250	-19.7%
Transportation	1718	1312	144	262	406	-23.6%
Youth Development	19	10	1	8	9	-47.4%
Zoo	283	232	22	31	53	-18.0%
Library	1298	1302	0	0	0	0.3%
Recreation and Parks	1608	1422	185	0	185	-11.6%