



BUDGET ADVOCATES REPORT April 2024

Los Angeles City Budget Update

Mayor Bass will present her Proposed Fiscal Year 2024-2025 Budget to the City Council on or before April 22 (deadline extended this year due to the 20th being a Saturday). This will be preceded by her State of the City speech where she will discuss her priorities. In the following weeks, the City Council's Budget, Finance, and Innovation Committee will conduct hearings to review the budget and make recommendations to the City Council which, in turn, will hold additional hearings, and submit their changes to the Mayor. The Mayor and City Council must adopt the Budget by June 1st. While the public will have the opportunity for public comment during the Budget Committee meetings, the difference between the Proposed and Adopted Budgets has averaged 0.6% over the past ten years.

The Council File number for the Proposed FY 2024-2025 Budget will be [CF 24-0600](#) where, once opened, the budget-related documents will be posted. In addition, the City Administrative Officer maintains a [Budget and Financial Information webpage](#), which includes links to current and previous years' budget documents. These include the Mayor's Budget Summary, Proposed Budget, Detail of Department Programs (Blue Book), Revenue Outlook and the CAO Overview of the Proposed Budget.

The budget for the upcoming fiscal year beginning on July 1st will be challenging. According to the City Administrative Officer, the budget gap is between \$350 and \$400 million because of the new labor agreements. Revenues, however, are expected to be \$340 million below the City's previous projections. This results in a budget gap of approximately \$700 million.

At the same time, the Reserve Fund will need to cover this year's shortfall that is expected to be in the range of \$300 million because of lower than planned revenues (\$200 million) and over expenditures (\$100 million). This will reduce the balance to around \$200 million, 2.5% of General Fund revenue, far below the minimum of 5%, leaving very little to cover any future deficits.

Areas to be watched are the funding of the Homeless and Housing Program, including proceeds that are available from Measure ULA, the 4% to 5.5% tax on property sales of \$5 million or more; proposed increases in taxes (may require a ballot measure) and fees; the Reserve Fund; the Budget Stabilization Fund; the LAPD budget; the reduction in the number of authorized positions and the vacancy factor; and other balance budget measures which will include lower funding and staffing levels for selected departments.

Budget Advocates Activity

The [Congress - Budget Advocacy Contribution Form](#) on the City Clerk's website is updated to

include an option for “Neighborhood Council Budget Day.” Your NC can use this option to contribute to Budget Day and other expenses incurred by the Budget Advocates. We ask that you consider agendaing a contribution no later than your May Board meeting and support our work with your remaining funds from the 2023-2024 NC budget. Such payment requests need to use the vendor name of “Neighborhood Council Budget Day” and must be submitted to the NC Funding Program no later than June 1st. The Budget Advocates are grateful for your support.

On March 23, the Budget Advocates and the Department of Neighborhood Empowerment presented a Town Hall on the subject of the Department’s fiscal year 2024-2025 budget request. Forty-five Neighborhood Councils were among those who registered to spend a Saturday morning learning about DONE’s budgeting. The Budget Advocates thank Vanessa Serrano, Armando Ruiz, and the other Department’s directors for their participation. If you missed the Town Hall and are interested to learn more about the Empowerla budget request, the recording is available on the Town Halls tab of the Budget Advocates website at [BudgetAdvocates.org](https://www.budgetadvocates.org).

The annual Neighborhood Council Budget Day will be held the morning of Saturday, June 15, 2024. For the first time since 2019, Budget Day will be in person at City Hall. It is a free event that is open to the public.

The plenary session will be presented in City Council Chambers where members of the Los Angeles government and other speakers discuss the City’s budget and what it means for programs and services the City provides to Angelenos. Please save the date for what will be an educational and thought-provoking event.

Breakout sessions where attendees discuss regional concerns with City services follow the plenary session. Anyone concerned about where our City is headed is encouraged to attend and provide input. The regional breakout sessions will also elect Budget Advocates for their next two-year term. For up-to-date information, visit [BudgetAdvocates.org](https://www.budgetadvocates.org). Registration will be available closer to the event.

We request your Outreach team post the attached graphic on your social media and in your newsletter.

As we prepare to elect Budget Advocates for the next two-year term, please make sure we know who your Budget Representatives are. If your NC doesn’t have two Budget Advocates, please make appropriate appointments.

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