City of Los Angeles
Budget Process
Total Budget: $10.7 Billion

FY 19-20 ADOPTED BUDGET
TWO-YEAR MANAGEMENT CYCLE
Budget & Annual Review
KEY FIGURES IN THE CITY’S BUDGET

Mayor
Eric Garcetti

City Administrative Officer
Richard Llewellyn

Chief Legislative Analyst
Sharon Tso

City Council Budget & Finance Committee Chair
Paul Krekorian

City Council President
Herb Wesson
LA CITY BUDGET PROCESS

BUDGET FORMULATION
BUDGET SUBMISSION
BUDGET REVIEW
PROPOSED BUDGET
COUNCIL REVIEW
BUDGET ADOPTION
BUDGET POLICY LETTER

Sets the tone and provides direction for the budget development process

- Sets priorities for General Managers
  - Resource allocation, vacancies, and fiscal stewardship
- Instructions for submission
- Deadline
FIVE PRIMARY FINANCIAL POLICIES

1. Maintain a General Fund reserve of at least 5% General Fund revenues.
2. 1% of General Fund Revenues for capital improvements
3. Using one-time revenues for one-time expenditures
4. Funding for Budget Stabilization
5. Maintaining debt affordability
BUDGET DEVELOPMENT

Mayor’s Budget Letter → Department Budget Proposals → Initial Analysis & First Cut (Mayor & CAO) → Departmental Hearings → Final Cut (Mayor & CAO) → State of the City → Budget Presentation

| September | November | January - March | April - June |

Input from City Council and Neighborhood Councils
BUDGET DELIBERATION

Mayor Proposes Budget
Initial Analysis (CLA)
Mayor’s Budget Presentation (Budget & Finance Committee)
Departmental Hearings (Budget & Finance Committee)
Budget Memos (Budget & Finance Committee and CAO)
Final Report (Chief Legislative Analyst)
Final Vote (Budget & Finance Committee)
Budget Adoption (City Council)
Mayoral Approval or Veto

April 20th
April - May
May - June
GM REVIEWS

Annual Performance Reviews

- First action as Mayor
- 28 GM appointments made since
- Three-Part Process:
  - Assess performance
  - Set Annual Goals
  - Strategize around Long-Term Priorities shared across departments
City of Los Angeles Budget Process