

# Neighborhood Council Budget Advocates – 2013 / 2014 Outreach Talking Points

## Budget Advocates Overview

- We are 36 elected positions representing 12 districts and each respective community's interests and positions during the creation of the LA City Budget. Our mission is for the City Budget and Fiscal Operation to reflect and represent the values of the communities we represent.
- We hold city leaders accountable for how our tax revenues are spent and that the city operations have a level of efficiency that is worthy of one of the great cities of the world, Los Angeles.
- We meet with the Mayor, the Mayor's Staff, City Officials, Union Leaders, & City Council Members to understand their perspectives and seek ways to make changes to the budget that are in alignment with the interests of our local communities.
- Over time the budget advocates are working to increase our influence with the Mayor and City Council. Our influence increases through your participation in the Mayor's Budget Survey and by making your voice heard at key times in the budget process.

## LA City Budget 101

- 7.2 Billion in City Budget
  - 4.5 Billion in General Fund
- Breakdown of General Fund less Designated Funds
  - 72% Fire / Police / City Salaries, Healthcare, & Pensions
  - 7% Public Works
  - 4% Library
  - 6% Parks & Recreation
  - 11% Other
- Structural Deficit – A structural deficit occurs when increased expenditures (salaries, pensions, roads) exceed revenues (taxes, fees, investments). Structural Deficit is distinct from a 'debt' in that it is a real ongoing gap in funding that can only be filled by decreasing these expenditures or increasing these revenues.
  - The projected structural deficit for this fiscal year is \$216 million dollars with growing projected deficits of approximately \$300 million each year for the next 3 years.
  - The ½ Cent Sales tax is being proposed to solve this structural deficit for the 2013/2014 city budget but does not address future deficits.
- Why Do We Have a Structural Deficit?
  - Union Contracts

- 2008 Financial crisis brought lower returns than expected on city investments and could not pay the bills.
    - City was unable to cover the costs of pensions and salaries from contract.
  - Inefficiencies in city operations
- Ways To Solve It?
  - Reducing department positions and budgets.
  - Half-cent sales tax increase.
  - Increased and coordinated collection efforts on outstanding funds due to City of Los Angeles

### **Important Dates**

- The mayor must submit a budget to the City Council for consideration by April 20, 2013.
- The city council must approve a city budget by June 1, 2013.

### **Mayor's Budget Survey**

- The budget survey will be available online beginning at the end of January and will run for approximately four weeks.
- NCBA gave input during the creation of the survey and made sure questions were included about reforms and priorities.
- The survey has an easy to use interactive format. Paper budgets will also be available
- Last year there were only 5,000 surveys completed.
- In order to add 'weight' to BA positions we need greater participation.
- The survey is projected to be released towards the end of January and will be available for about 4 weeks.
- As BAs we need the NCs help to encourage survey participation and sharing the link within their own circles of influence.