



CITY OF LOS ANGELES
LA ANIMAL SERVICES



Date: August 21, 2008
To: Animal Services Commissioners
From: Edward A. Boks, General Manager
Subject: Budget of Los Angeles Animal Services for 2008-2009

As variously reported since formulation of the current year’s budget started last November, this Department along with other City Departments was challenged to provide efficiencies and cutbacks to help balance the City’s budget. A number of questions and mis-information about the budget arose at the Board meeting of August 11, 2008, in connection with the looming threats of layoffs. My administrative staff and I have been repeatedly presenting information and statistics to elected officials and others to confirm that proposed cuts are too extreme for the Department to bear. Despite the wishfulness of suggestions offered at the last Board meeting, the Department simply does not have enough funding to retain the current number of staff unless additional funds are allocated.

At your request, I am pleased to offer a summary of the circumstances that have brought the Department to this critical juncture, and to show in numbers the seriousness of the situation.

❑ **Efficiencies Required**

As part of the preparation process for the 2008-2009 Budget, the Mayor required all Departments to propose an 8% efficiency (cut package). The Department’s starting point for the 8% cut was supposed to be the original actual budget of the Department for 2007-2008 (\$22 million). Please recall that in the last fiscal year we were able to survive a \$1 million give-back out of that \$22 million, called a one-time efficiency, because many of the new shelters did not open until several months into the fiscal year.

Roughly, the proportions of the Department’s 2007-2008 budget was 93% wages (\$20,711,851 for full-time, part-time, and overtime) and 7% expenses (\$1,622,802). Part-time and overtime together are only a little more than 1% of the total wages.



Expenses also make up a small fraction of the Department's budget, and in the last fiscal year, the Department had to move money between accounts to cover costs in the medical account and in the cleaning supplies account, which was severely underfunded for operations in the expansive new animal care centers compared to the smaller old ones. No cuts could be sustained in the expense accounts. The only source for an 8% efficiency, which translated to \$1,786,772 in cuts, was the full-time salary account.

As a side note, the Department's Administration, which includes executive management, all accounting and administrative staff, licensing, the Call Center, Personnel Division, all Information Technology staff, and other Department-wide positions such as Emergency Preparedness, constitutes only 16% of the Department's full-time budgeted positions.

The Department does not have discretionary or value-added programs that we can reduce or eliminate. Our core functions of law enforcement, animal sheltering, medical care, and dog licensing entirely utilize the resources of the Department. Cuts cannot be made without impacting one or more of these programs.

In formulating efficiency packages, the Department looked at the two traditional avenues for reducing expenditures: less hours of service to the public, or fewer facilities in operation. Statistics demonstrate that the majority of animal intake and of course adoptions occur when we are open to the public; therefore some reduction in workload and staff members is feasible if there is a significant cut in public hours.

We presented four alternatives, as shown in the table below, to your Board and later submitted them to the Mayor as part of the budget. The purpose of providing several alternatives was to demonstrate that we had analyzed and considered a variety of the typical cost-savings measures, while recommending the least harmful alternative, rather than just cherry-picking one idea that we liked. We recommended, if such cuts were necessary, the use of one animal care center for evidence animals and special operations.

Type of Efficiency	Details	Savings	Cuts
Public Hours Reductions	Reduce Hours of Public Service from 55 to 40 Hours by dropping daily operations from 9-11 hours daily to 7 hour days	\$1.93 million	43 positions
Public Hours Reductions	Reduce Hours of Public Service from 55 to 40 Hours by closing Tuesday and Wednesday and operating 4 days a week, 10 hours a day	\$1.93 million	43 positions
Limit Facilities in Use	Use one new shelter for evidence animals and special operations for one year <i>(recommended if necessary)</i>	\$1.32 million	29 positions
Limit Facilities in Use	Keep one new shelter completed closed and secured for one year	\$1.91 million	42 positions

□ **The Final Budget**

The City's revenue projections had become more and more grim, even with approval of the telephone tax, by the time the Mayor and City Administrative Officer wrapped up budget preparation. Initially, they planned only to activate one of the two "Reduced Hours" alternatives for Animal Services shown above. By the end of the preparation cycle, the Mayor's published budget proposal for 2008-2009 merged both "Reduced Hours" and "Limited Use" alternative for evidence animals, resulting in a net cut of 15%.

2007-2008 Positions	437
Positions Cut in Budget	-56
Changed to unfunded Resolution Authorities	-23
Net Gain after internal cuts and adds*	+1
2008-2009 Funded Positions	359
July 1, 2008 Filled Positions	373

*Including the 4 restored District Supervisors

The classification with the most employees in the Department is Animal Care Technician (ACT). The number of positions in this classification grew significantly in the past four years as the City prepared to complete and operate the new animal care centers built with Prop F funds. Likewise, the Department had worked diligently to fill all allocated positions so that we were ready with an appropriate number of trained staff when the new care centers opened. That diligence meant that we did not have enough vacant positions of ACT to absorb the double-whammy of the cuts proposed.

Classification	2007-2008 Positions	2008-2009 Positions (Reduced)	Filled Positions as of July 1, 2008	Action Needed if Filled Positions Exceeded Total
Clerk Typist	38	35	34	None
Sr Clerk Typist	11	11	10	None
Veterinary Technician	42	34	30	None
Animal Care Tech	164	125	154	Layoff - 29 employees
Animal Care Tech Supv	19	12	16	In-lieu - 4 positions (3 in Dist Manager, 1 in Sr. ACO I)
Sr Animal Control Officer II	9	8	11	In-lieu - 3 positions (2 in Dir Field Ops, 1 in Dist Manager)
District Managers	0	4	0	Use for ACT Supr and Sr. ACO II in-lieu authorities

Also impacted for the coming fiscal year was the Administrative Hearing program, which was cut to one Hearing Officer, and Emergency Preparedness (the Coordinator was cut).

The overage in the position count is not the only source of the funding shortfall. Departments were not funded for the wage increases mandated to most staff when the City settled union negotiations last year, nor for the additional 3% raises which staff received at the start of the 2008-2009 Fiscal Year on July 1st.

2008-2009 Salaries Budget	\$18,129,498
Actual Cost for 26 Pay Periods	\$19,469,808
Salaries Deficit	-\$1,340,310
Furlough Cut - May be Restored	\$414,811
Savings from Proposed Layoff of 29 Employees	\$777,799
Remaining Deficit to Manage	\$147,700
Total to Equal Salary Deficit	\$1,340,310

In every report, letter, document, and testimony, the Department confirmed the cuts should be considered temporary, and while funding was cut for one year, the positions should be retained in the Department as unfunded resolution authorities to be readily restored in future fiscal years. Also, decision-makers were reminded that the cuts would result in lay-offs, that employee relations issues would arise, and that with the new animal care centers just opening, the Department still did not have a confirmed formula for staffing needs at the new facilities, and might already be insufficiently staffed for proper care of the animals. Heeding the call, Councilmember Tony Cardenas introduced a motion during the Budget debate that restored \$500,000 to the Department's 2008-2009 Budget, raising the Department from \$17,629,498 to the current \$18,129,498, but as seen from the chart above, that is not sufficient to offset the deficit for the year. Additional funds will be necessary, such as had been recommended in the motion of Councilmember Richard Alarcon, to use newly identified Sanitation fees to offset shortfalls in several City departments.

The chart below summarizes the changes in the Department's Budget from the 2007-2008 Fiscal Year to the 2008-2009 Fiscal Year.

