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Whose Budget is it Anyway? Demystifying the City of Los Angeles Transportation Budgeting Process

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# Whose Budget is it Anyway? Demystifying the City of Los Angeles Transportation Budgeting Process

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## Issue

A city's budget is simultaneously a technical process of estimating revenues and costs, while also a highly political process in which scarce resources are allocated across competing city priorities. Because of this tension, the budget is an area of city governance where critical decisions are made that have direct consequences for equity, but where there has historically been relatively limited direct public involvement. Previous research on public budgeting has largely taken the perspective of the city and how the city might improve its budgeting process. However, research is needed that might directly inform the perspective and expand the capabilities of community-based organizations working to advocate on budget priorities from outside the city government.

Working with Investing in Place, a transportation advocacy nonprofit, this research analyzes the budgeting process in the city of Los Angeles, and specifically the role of transportation funding in this process. The research attempts to answer two questions:

1. What is the transportation budgeting process in Los Angeles?
2. What are the opportunities for community-based organizations to intervene in and advocate for the transportation budget in order to affect change?

## Study Approach

This research uses a qualitative approach to data collection and analysis. Information was gathered through two methods: professional interviews with city of Los Angeles staff involved in or knowledgeable on the budget, and focus groups with a cohort of members of community-based organizations

interested in potential budget advocacy. The intent of the research process was to be iterative between interviews and focus groups. In this context, it meant that the needs of community-based organizations expressed in focus groups continually informed the direction and content of the professional interviews. These focus groups also provided essential insight and feedback in developing an educational tool for Investing in Place to use as part of future budget advocacy and coalition-building endeavors.

## Research Findings

**The budgeting process in Los Angeles is much more complex than the relatively straightforward timeline set forth by the city.** There are many different actors across the city involved in the budgeting process at overlapping and dynamic times throughout the fiscal year. The ability to make changes in the budget, however, drops off dramatically after the mayor releases the proposed budget in April and power transfers to the City Council.

**Change in the budget happens incrementally.** From year to year, the city has limited capacity to make large changes to its 40,000-person organization. It is instead the cumulative effect of changes over several budget cycles that adds up to make noticeable differences.

**Many City Hall actors believe that the budget implements existing policy and does not itself create policy.** Because it is regarded as a tool of policy implementation, budget directors within the city may be resistant to public input on the budget that they see as attempting to make or change policy without going through the formal policy process.

Figure 1.

A page from the educational tool developed through this research process, “Easy Money: A Handbook for Reading and Understanding the City of LA’s Budget Documents.” The handbook provides an annotated version of key parts of the City’s budget for first-time budget readers.

Much of the City’s transportation funding comes in the form of “Special Funds.” As opposed to the General Fund, these are funds that are established to be used for a specific purpose. As such, the city must account for them in greater detail, which it does through fund schedules.

Each Special Fund is assigned to a schedule number, by which you might see it referred to elsewhere.

Every fund schedule includes a brief description at the top that indicates its source and broadly outlines what it can be used for.

Every fund details its revenues, which tells us where the money comes from. Unsurprisingly, for Measure M, we see that most of the \$84M in this fund comes from “Local Return.” This is the portion of the money raised via the countywide sales tax that Metro gives to each city within the county on a per-capita basis.

Next comes expenditures and appropriations. At the top are those funds being allocated to departments. This is money that departments use for general operating expenses. The line item here for BOE matches the amount we saw in Section Two of this handbook where BOE’s departmental budget listed Measure M as one of its sources of funds.

Listed under “Special Purpose Fund Appropriations” are those specific programs receiving dedicated money from this fund. While these appropriations are still generally overseen by the same departments as listed above, these funding amounts must be spent directly on their specified program. Here we see recognizable programs such as Vision Zero, Complete Streets, and Great Streets. As well as some that seem more obscure, such as “CIEP – Physical Plant.”

► CIEP stands for Capital Improvement Expenditure Program and is the City’s general capital improvement program. “Physical Plant” is one of three categories within the CIEP and includes stormwater, street, and street lighting projects.

**SPECIAL PURPOSE FUND SCHEDULES**

**SCHEDULE 52**

**MEASURE M LOCAL RETURN FUND**

Public Utilities Code Section 130350 provides that the Los Angeles County Metropolitan Transportation Commission (Metro) may adopt a sales tax within the County, provided that it is approved by a majority of the electors. In 2016, the voters in Los Angeles County approved an increase of one-half of one percent (0.5%) to the Sales Tax within Los Angeles County (County). The Sales Tax will increase to one percent (1%) on July 1, 2039, when the Measure R tax of one-half of one percent (0.5%) tax imposed by Metro by Ordinance number 18-01 expires. Sales Tax revenue shall be used to meet the goals of improving freeway traffic flow, accelerating rail construction and building rail lines, enhancing local regional and express bus service, bike and pedestrian connections, improving transportation system connectivity, streets and intersections, addressing transit and highway safety, providing more accessibility, convenience, and affordability of transportation for seniors, students and the disabled; and incorporating modern technology in the transportation system.

Actual 2017-18	Estimated 2018-19	2 previous budget cycles	current budget cycle	Total Budget 2019-20
210,704	37,378,483			32,566,483
-	-			17,520,369
210,704	37,378,483			15,046,114
42,332,447	58,000,000			58,000,000
-	3,000,000			10,858,691
66,402	400,000			406,800
42,609,553	98,778,483			84,313,605
<b>REVENUE</b>				
Cash Balance, July 1				
Less: Prior Years' Unexpended Appropriations				
Balance Available, July 1				
Measure M Local Return				
Metro Rail Projects Reimbursement				
Interest				
<b>Total Revenue</b>				
<b>EXPENDITURES</b>				
<b>APPROPRIATIONS</b>				
General Services				
Personnel				
Bureau of Contract Administration				
Bureau of Engineering				
Bureau of Street Lighting				
Bureau of Street Services				
Transportation				
<b>Special Purpose Fund Appropriations:</b>				
CIEP - Physical Plant				
Autonomous Vehicles Program				
BOE Contractual Services - SRVZ				
BSS Equipment				
Camarillo Street Traffic Study				
Complete Streets				
Cypress Park Pedestrian Bridge				
DOT Equipment - Traffic Signals				
Transportation Technology Strategy				
Venice Boulevard Great Streets Enhancements				
Vision Zero Corridor Projects - M				
Vision Zero Education and Outreach				
Expanded Mission Hills Median Study				
Metro Rail Annual Work Program				
Unimproved Median Island Maintenance				
MLK Streetscape				
Traffic Studies				
LA Riverway (San Fernando Valley Completion)				
Median Island Maintenance				

“Transportation” has a complicated role in the budgeting process because it is understood differently by competing parties. This makes transportation budgeting a very political process and leads to funding earmarked for transportation spread across many different departments and agencies.

Some aspects of the transportation network more readily receive funding because their outcomes are more easily translated into dollar amounts. Decision-makers in the city often show a preference toward these programs or projects because they feel more confident about where the money is going and the “return” on investment.

**Recommendations**

- Start advocacy as early in the budget cycle as possible and find a City Hall staff member or agency to be an advocate on the inside. Throughout the process, it’s best to speak in a unified voice with other community-based organizations.

- Ensure that a budget request is well-targeted to the intended consumer of that request. Advocates should emphasize how their request aligns with the decision-makers’ existing priorities and policies.
- Break down larger budget requests into smaller pieces that can be achieved through incremental changes from year-to-year, and know what a win looks like in one year as opposed to five years. Then, translate those budget requests into specific dollar amounts oriented around tangible outcomes.

**For More Information**

Stiegemeyer, K. (2020). Demystifying the City of Los Angeles transportation budgeting process (Master’s capstone, UCLA). Retrieved from: [escholarship.org/uc/item/9hw833mb](http://escholarship.org/uc/item/9hw833mb)

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