



KAREN BASS
MAYOR

Dear Honorable President and Members of the City Council,

I present to you and the people of Los Angeles a balanced budget proposal for the fiscal year that spans July 1, 2025 - June 30, 2026. It contains fundamental changes to the way the City operates, including common sense consolidations of related departments. We must become more efficient and effective in delivering core services. Together, we must create long-term budget stability for our City while providing the services on which Angelenos rely.

Our budget situation is critical. Downward economic trends have driven City revenues far lower than previously projected. Furthermore:

- The wildfires in the Palisades have increased costs related to emergency response and recovery, while lost homes and businesses and other disaster-related negative economic impacts will decrease property tax and other tax revenues.
- Liability payments have tripled.
- Turmoil and uncertainty in Washington, downward national economic trends, volatile stock markets and continued post-pandemic impacts related to tourism and other factors cause extreme budget uncertainty.

Despite these challenges, this budget reflects our commitment to facing the city's toughest challenges:

- The devastating wildfire in the Palisades shows that our emergency services must be prepared for any and all disasters.
- We will continue urgent investments in a comprehensive approach to address homelessness by bringing people inside from tents and RVs while simultaneously lowering the cost of housing and preventing Angelenos from falling into homelessness in the first place. The latest numbers show a drop in homelessness in Los Angeles for the first time in years.

- Building on our efforts to drive significant reductions in both violent crime and property crimes, this budget continues to ensure that we are keeping Angelenos safe and disrupting cycles of violence.

Despite our greatest efforts (which reduced the number from what had originally been proposed), this budget contains proposed layoffs. Know that I, like you, do not want to lay our city workers off. They are our greatest asset – which is why I will continue working day and night to find alternative solutions. I hope to work closely with you, our partners in labor, and our State partners to advocate for more resources and manage increasing liabilities.

As we continue this work, we should not accept short-term fixes that cause long-term harm. We cannot and should not find ourselves back here next year.

Thank you for your ongoing partnership.

In partnership,

A handwritten signature in cursive script that reads "Karen Bass".

KAREN BASS
Mayor