



**Office of the Mayor
City of Los Angeles**

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**MAYOR VILLARAIGOSA ORDERS CITY DEPARTMENTS
TO REIN IN HIRING COSTS**

Mayor identifies departments running the largest deficits in an effort to close a projected \$75 million shortfall for Fiscal Year 2007-08

LOS ANGELES – Continuing his effort to close a projected \$75 million budget shortfall for the current fiscal year, Mayor Antonio Villaraigosa today identified City departments running the largest deficits and directed them to rein in hiring costs.

“All City leaders must work together ... to mitigate this projected deficit by year-end,” Mayor Villaraigosa said in letters to all City departments. “As part of these efforts, I immediately directed the CAO and the General Manager of the Personnel Department to implement a Managed Hiring Process to mitigate potential deficits.”

On October 19, 2007, the City Administrative Officer (CAO) released the Second Financial Status Report, which calculated a total projected year-end budget deficit of nearly \$75 million. The report noted all departments running a deficit and indicated that, due to current fiscal constraints, additional funding would not be available to offset any shortfalls.

The top three largest projected deficits, based on the each department’s total budget, are run by the Office of Finance, the City Attorney’s Office and the Department of General Services. They are followed by the Board of Public Works, the Fire Department and the Department of Transportation.

The Bureau of Engineering, Bureau of Street Services, Police Department and Information Technology Agency round out the top ten.

In response to these findings, Mayor Villaraigosa developed and initiated a Managed Hiring Process, which could generate up to \$7 million in savings by the end of the fiscal year.

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Through this strategy, the Mayor's Office and CAO directed department heads to keep unfilled positions vacant in order to reduce anticipated year-end spending deficits.

These positions were selected based on the hiring priorities submitted by City departments last July, and the Mayor's Office has taken every measure possible to ensure that these cuts have a minimal impact on vital public services and critical support functions.

"The Managed Hiring Process will balance responsible management with the need to maintain our core services to Los Angeles City residents," Mayor Villaraigosa wrote. "All departments will be expected to continue exercising fiscal responsibility in the management of their...programs and to continue to identify savings."

In addition to the Managed Hiring Process, several departments have identified savings and will implement measures designed to cut costs and close the gaps in department budgets.

Sworn police and fire personnel and revenue generating positions are exempt from the mayor's directive.

TOP PROJECTED DEFICITS BY DEPARTMENT*

RANK	DEPARTMENT	BUDGET	PROJECTED DEFICIT	DEFICIT AS PERCENTAGE OF BUDGET	ESTIMATED SAVINGS
1	OFFICE OF FINANCE	25,831,395	1,310,000	5.07%	108,200
2	CITY ATTORNEY	98,733,647	2,831,658	2.87%	400,000
3	GENERAL SERVICES	296,984,140	8,500,000	2.86%	400,000
4	BOARD OF PUBLIC WORKS	22,154,827	558,450	2.52%	
5	FIRE	535,085,666	13,000,000	2.43%	400,000
6	TRANSPORTATION	141,715,546	2,830,110	2.00%	
7	BUREAU OF ENGINEERING	81,991,691	1,109,545	1.35%	554,733
8	BUREAU OF STREET SERVICES	157,892,605	2,100,000	1.33%	527,330
9	POLICE	1,237,285,984	16,180,000	1.31%	2,000,000
10	INFORMATION TECHNOLOGY	111,319,134	1,125,000	1.01%	1,700,000

*For departments with budgets exceeding \$5 million.