

Date: August 20, 2024

To: Thomas B. Modica, City Manager



From: Kevin Riper, Director of Financial Management



For: Mayor and Members of the City Council

Subject: **Response to Questions from the City Council Budget Hearing on August 6, 2024**

During the Budget Hearing held at the City Council Meeting on August 6, 2024, City staff provided presentations on the Proposed FY 2025 Budget and the Capital Improvement Program. This memorandum provides responses to questions and/or comments raised by members of the City Council during that time.

1. Please explain the staffing status of the Health and Human Services Department, including its impacts from the expiration of grant funds, and the conclusion of the Long Beach Recovery Act.

The expiration of grants, loss of State funding and the conclusion of the Long Beach Recovery Act (LB Recovery Act) has contributed to the identification of 73 positions within the Health and Human Services Department (Health Department) that have lost funding. These positions were part of a three-year intentionally temporary staffing plan, with the majority of the positions funded by the LBRA. There are additional staff members on this temporary staffing plan that also do not have a transition plan. The Bureaus and number of positions impacted include Communicable Disease and Emergency Response – 63; Community Health – 3; Collective Impact – 4; Environmental – 2; and Homeless Services – 1. The Communicable Disease and Emergency Response Bureau had the largest impact given the ending of funds from COVID-19 grants. The positions that were funded by the State were in the Governor's original budget as being slated to either be reduced or cut completely. Since the State's budget passed, the public health grants that planned to be cut have either been restored completely or were only trimmed. In some cases, the Health Department is waiting on the State to provide the specific allocation and will restore positions as funding is restored and/or new funds are identified.

The Health Department set up a temporary staffing plan to support the Long Beach Recovery Act (LB Recovery Act) programs. With the conclusion of the LB Recovery Act programs, these positions will no longer have funding as of September 30, 2024, or December 31, 2024, depending on the end date of the specific program. Of the 73 positions listed on the Loss of Funding List, 54 were LB Recovery Act program funded positions, and the remaining 19 were primarily State grant funded. It is important to note, because many of the positions are funded with multiple grants, if a position is not fully funded, they are included on the Loss of Funding

List. The initial Loss of Funding List, showing 73 positions, equates to approximately \$5.7 million of funding loss. However, these numbers are decreasing as staff find other employment opportunities within or outside of City employment. As of August 15, 2024, 7 staff have been placed in other positions, 5 are pending placement, 6 have identified funding but not placed yet, and 4 have resigned from the City. There are currently 50 staff members that remain on the Loss of Funding List, which equates to approximately \$4.4 million of funding loss. Of the initial 73 positions, 64 are unbudgeted and nine are budgeted.

Many of the impacted positions are unclassified, and the Health Department is looking to identify internal vacant positions that the affected employees are qualified to fill. As of early August, the Health Department had 156 vacant permanent, budgeted, full-time positions, for a vacancy rate of 32.3 percent, but not all of those vacant positions match the qualifications and skill sets of the employees in positions with expiring funding. Therefore, the Health Department is also working with the Human Resources Department, City Manager Department and other departments to identify positions that impacted staff can apply for within the City with the goal of eventually filling vacant positions in other departments whenever possible. The City was able to fund the staffing costs through September 30, 2024, of those whose grant funding expired June 30, 2024.

The City provided a significant amount of training to all LB Recovery Act employees through a 16-module training program a variety of topics including Program Development and Implementation, the City's Equity Toolkit, Community Engagement, Procurement, and Finance and Budgeting, to name a few. LB Recovery Act staff were offered one-on-one individualized and curated meetings with staff from Human Resources and Civil Service Departments to discuss interests, explore further career options, and assist with resume building and interview skills. The Civil Service and Human Resources Departments made themselves available for over 260 one-on-one sessions. A total of 36 employees took advantage of the opportunity to meet with Human Resources and/or Civil Service; 36 submitted resumes and cover letters were reviewed by Human Resources and/or Civil Service. For LB Recovery Act employees in need of a permanent position within the City, the City Manager Department's Recovery Office created LB Recovery Act processes and guidelines for expedited hiring options and hosted a Career Exploration event on August 8, 2024, to match LB Recovery Act employees without a transition plan with upcoming and current vacancies. There were 12 hiring departments in attendance and 36 LB Recovery Act employees participated.

2. Please explain the General Fund support for the Health Fund Group.

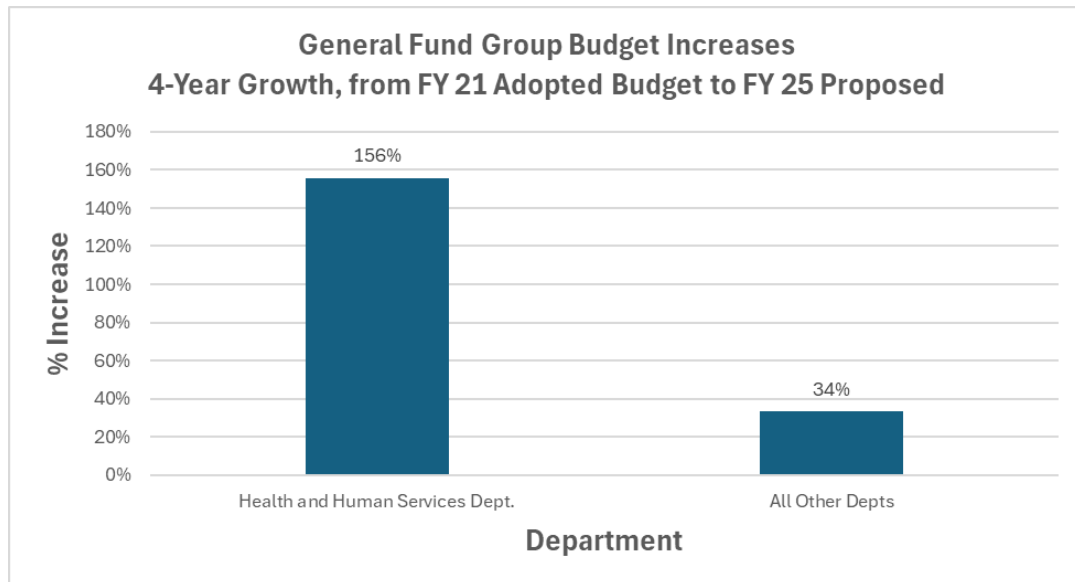
The Health Fund Group is comprised of the Health Operating fund and the Health Grant fund. The Health Operating fund receives funding from the State to operate basic health programs. The Health Grant fund receives various local, State, and Federal grants to provide additional services. Many of those grants do not cover

100 percent of the program costs; therefore, those costs that are not reimbursable by grants are covered by either 1) Health Operating funds, if there are funds available, or 2) General Fund, if Health Operating funds are not available.

The Department is currently working with an outside consultant to conduct a study which will review the Department’s utilization of State and grant funding to ensure maximizing these funding sources before utilizing General Fund support.

The below table shows the General Fund Group support for the Department from FY 21 Adopted Budget to FY 25 Proposed Budget, compared to other Departments in the City. Majority of the General Fund support has been for homelessness-related services, versus other public health-related program costs.

While there is additional need for support of the Health fund from a variety of sources, including the State and potentially the City’s General Fund, it should be noted that the past four years has seen one of the largest increases in General Fund support. The City will continue to analyze the Health Fund fund balance and pressing costs, and make recommendations on what level of support will be needed to continue critical services or what other changes will be needed as a result of the study.



General Fund Group Growth (\$ in Millions)			
Department	FY 21 Adopted	FY 25 Proposed	Percent Growth
Health and Human Services Dept.	\$ 4.9	\$ 12.5	156%
All Other Depts	\$ 554.4	\$ 740.4	34%
Total General Fund Group	\$ 559.3	\$ 752.9	

3. Please explain the programs funded by the Long Beach Recovery Act, including the programs that will continue to be funded by Long Beach Recovery Act funds through December 31, 2024, and those being funded structurally in FY 25.

On March 16, 2021, the City Council adopted the Long Beach Recovery Act (LB Recovery Act) becoming one of the first major cities to approve COVID-19 recovery programs made possible through the American Rescue Plan Act (ARPA) and other federal and state funding sources. Since then, City staff have designed and launched over 80 LB Recovery Act programs aligned with the goals established in the LB Recovery Act Collective Impact and Equity Implementation Framework and has made significant progress towards meeting the deliverables of over 80 programs.

To align the LB Recovery Act with the timeline of the use of ARPA funds, the LB Recovery Act will come to a close by December 31, 2024. While there is flexibility on the close-out date given how the City used the majority of ARPA funds to provide and maintain current City services that were originally intended to be funded by the General Fund, thereby freeing up General Fund appropriations to cover the cost of many of the temporary LB Recovery Act programs, the City plans to conclude most programs at the end of FY 2024 and any savings will be transferred to the Securing Our City's Future category. The following ten LB Recovery Act programs are planned to continue into Fiscal Year 2025 as a one-time extension. These programs either began implementation later into the LB Recovery Act timeline, have remaining funds, or are providing services that continue to be needed.

- City of Long Beach Employees – Youth Mentoring
- Community Crisis Response Pilot
- Early Childhood Education – Increase Community Access to Library, Arts, and Culture
- Early Childhood Education – West Health Facility Renovation
- First Time Homebuyer (Additional Down Payment Assistance)
- Nutrition Security Initiatives – Mobile Healthy Food Market
- Re-Entry Achievement
- Safe Passage – Advancing Peace Neighborhood Activation
- Sidewalk to Success (Street Vendor Support)
- Youth Health and Safety Programming – Mobile Recess

The following LB Recovery Act programs have been funded with new, structural funds beginning FY 25 (existing LB Recovery Act funds will expire September 30th, 2024):

- BeSAFE Program (Parks, Recreation and Marine Department) – Preserving LB Recovery Act staff positions to continue programming at multiple sites.
- BizCare Program (Economic Development Department) – Preserving 4 of the 5 LB Recovery Act staff positions to continue local business support but at reduced service levels.
- Business Services Equity Officer (Financial Management Department) – Preserving 1 LB Recovery Act position to support recovery and equity in procurement.
- Health Equity Fund Program (Health and Human Services Department) – Preserving one position previously funded by grants and adding one position structurally funded in the General Fund. This team of eight FTEs (other positions funded by grants) works directly with the community to continue addressing inequities in our communities and furthering the efforts of the Health Equity Fund program started under the LB Recovery Act.
- Language Access Program (City Manager Department) – Preserving 3 LB Recovery Act staff positions to continue to provide language translation services.
- Re-Entry Program (Health and Human Services Department) – Preserving 1 LB Recovery Act position to continue support for formerly incarcerated individuals.
- Risk Management Vendor Compliance (Human Resources Department) – Preserving 1 LB Recovery Act position to continue support LB Buys system.
- Sidewalk Vending (Financial Management and Health and Human Services Departments) – Adding 3 new positions and 1 vehicle to continue local business support.

4. Please provide information and statistics to demonstrate the impact of the Level Up program and FY 25 funding.

The Level Up Long Beach program is supporting 25 businesses with up to \$10,000 in grant funds to reinvest back into their business once the required bootcamp is completed. There are 35 total businesses participating in the workshops, business advising, and other benefits; 25 businesses will each receive the \$10,000 in funding. There will not be any remaining funds at the end of the program. The program is budgeted under the Inclusive Business Navigators LB Recovery Act

program, and it is projected to spend down all funds.

5. Please provide information and statistics to demonstrate the impact of the Long Beach Circuit program and FY 25 funding.

The Micro-Transit Shuttle Program operates 6 five-passenger all-electric shuttles within two separate service areas: 1) Downtown to 4th Street's Retro Row, and 2) Belmont Shore to Alamitos Bay Landing.

In the first month, October 2022, the Program had 230 passengers. In June 2024, total ridership was 5,220.

Belmont			Downtown		
Date	Rides	Passengers	Date	Rides	Passengers
Dec-22	691	1,532	Dec-22	864	1,564
Jan-23	547	1,095	Jan-23	1,142	2,285
Feb-23	648	1,290	Feb-23	1,200	2,152
Mar-23	823	1,634	Mar-23	1,412	2,543
Jul-23	1,115	2,223	Apr-23	1,620	3,028
Aug-23	912	1,853	Aug-23	1,406	2,741
Sep-23	934	1,905	Sep-23	1,622	3,044
Oct-23	935	1,808	Oct-23	1,479	2,663
Nov-23	779	1,497	Nov-23	1,317	2,383
Dec-23	1,108	2,330	Dec-23	1,574	2,774
Jan-24	887	1,718	Jan-24	1,356	2,256
Feb-24	972	1,781	Feb-24	1,373	2,306
Mar-24	1,108	2,121	Mar-24	1,588	2,809
Apr-24	920	1,777	Apr-24	1,429	2,574
May-24	1,160	2,258	Jun-24	1,502	2,847
Jun-24	1,215	2,373	Jul-24	1,279	2,290
Jul-24	958	1,938			
ITD	15,712	31,133	ITD	22,163	40,259
FY24	10,042	19,601	FY24	12,897	22,902

The program is funded with \$1.2 million of LB Recovery Act funding for a period of 2 years (FY 23 and FY 24). All funding will be exhausted by FY 24 year-end.

Public Works will be presenting an item at the September 3, 2024, City Council meeting to propose an expansion that will increase the shuttle fleet size from 6 to 14 vehicles to accommodate ridership demand. The service area will also be expanded to provide a seamless connection between Downtown and Belmont Shore, including trips to the Queen Mary and St. Mary Medical Center. The expanded service boundary will include the existing service areas of Downtown-Retro Row and Belmont Shore-Alamitos Bay Landing with the addition of the area between Pacific Ave to Atlantic Ave up to 10th St (St. Mary Medical Center) and the area between Junipero Ave and Livingston Dr south of 4th St (the area between the two existing service areas).

Additionally, whereas the Program currently employs 2 ADA-accessible shuttles which are on standby until requested and wait times may be impacted by driver availability and ridership demand, the expanded program will include two Wheelchair Accessible Vehicles (WAV). These fully electric vehicles will operate full-time as 4-passenger vehicles until a WAV request arises. This will improve responsiveness for both WAV and non-WAV ride requests.

In addition, the micro-transit program extension will introduce advertisement opportunities for City and local third parties. The City will have rights to branding on shuttle vehicles, with the default wrap being City of Long Beach branding. Revenue from advertising will be reinvested in the program.

The above action will extend the program 36 months for a total contract amount not to exceed \$5,067,123. The Public Works Department is proposing the micro-transit shuttle program be funded with Los Angeles Metro (LA Metro) Proposition A funding. The funding to support this program is included in the Department of Public Works Fiscal Year 2025 Proposed Budget.

The Mayor's Recommendation of \$1 million will help fund current services and prevent the micro-transit program from ending in the near future. In addition, the recommendation asks staff to review whether a service enhancement is possible and return to the Council with information on what would be possible.

6. Please provide the status of the Right to Counsel program, which includes demonstrating the impact of the Program and the FY 25 funding (and any FY 24 carryover if applicable).

The FY 25 Proposed Budget includes an additional \$375,000 of one-time funding for Right to Counsel program, which will be added to any unspent funds carried over from FY 24 to provide funding for FY 25. The City is working closely with LA County's Department of Consumer and Business Affairs to track the support Long Beach residents receive as part of the City's contribution to the StayHoused LA program, which provides legal services, outreach and support for tenants. The following accomplishments have been achieved with the \$1.1 million invested in this program by the City from the program's inception in February 2021 to date:

- 1,499 assisted with legal services
- 5,176 assisted with tenant navigation support
- 124,750 assisted with outreach and education; and
- 400 attending workshops

7. Please provide information and statistics to demonstrate the impact of the Justice Fund program and FY 25 funding.

Through the Justice Fund Program, 97 cases have been represented to date, including 75 removal defenses for adults, 16 removal defenses for children, 6 affirmative cases, and 1 appellate case. In addition, through engagement with community-based organizations, more than 185 individuals have been referred for representation. In FY 25, the Justice Fund is supported with \$500,000 in one-time funding. The structural funding of \$300,000 and an additional \$300,000 in anticipated carryover will bring the total to \$1.1 million funds available for the Justice Fund in FY 25.

8. Please provide information to demonstrate the impact of the Violence Prevention Program and FY 25 funding.

The Health and Human Services Department (Health Department) leads the Long Beach Advancing Peace Initiative (LBAP), also known as the Violence Prevention Program, which improves safety and well-being for everyone in the City of Long Beach by using a systems-level approach to promote peace. The four goals of the program are to increase social connectedness, support economic opportunities, build safe and healthy neighborhoods, and use trauma-informed systems.

The initiative provides support to:

- Long Beach residents
- Community-Based Organizations (CBOs)
- Long Beach residents who are victims of violence
- Schools and neighboring areas who report high incidents of community and gun violence

Furthermore, the program has several initiatives that are currently in place, including, but are not limited to the following:

Safe Passage: In partnership with nonprofit organizations, the Health Department launched the Long Beach Advancing Peace Safe Passage Program in North and Central-East Long Beach. The Safe Passage Program helps make walking to and from school safer for Long Beach Unified School District (LBUSD) students who live in areas most at risk for crime and pedestrian injuries. Safe Passage services are conducted before and after school. LBUSD School Safety has reported a decrease in incidents since the implementation of Safe Passage.

Long Beach Advancing Peace Steering Committee: The LBAP Steering Committee leads community engagement efforts to increase social connectedness, brings resources directly into neighborhoods, and informs the City

on priority areas to address public safety. This group meets regularly to provide input and feedback and is a community advisory group consisting of 17 members.

Long Beach Advancing Peace Collaborative Network: The LBAP Collaborative network is open to all Long Beach community members and works together to achieve the goals set forth by the Steering Committee. The purpose of the Collaborative Network is to create partnerships that can help interrupt community violence. Collaborative Network members include nonprofit leaders, neighborhood associations, resident leaders and City staff all working to reimagine public safety in Long Beach. These goals are achieved by coordinating resources and services. The Collaborative Network consists of over 300 members.

Summer Activation: The City of Long Beach funds Summer Activation events as an effort to promote peace and reduce violence throughout the City. The events help to reduce violence by strengthening community connections, identifying and providing violence prevention resources to those in need, and creating partnerships with City agencies and various organizations. In Summer 2024, \$67,000 was awarded to 27 organizations Citywide. The Health Department will continue this program in FY 25.

In addition, there is the Standing Together to Reach Our Next Generation (S.T.R.O.N.G.) Beach Summer initiative. An interdepartmental collaboration consisting of the City Manager's Office, Health and Human Services Department, Police Department, and the Offices of Civic Innovation and Equity, the initiative ensures that the City's youth are actively engaged and that violence across the City is reduced, especially during the summer months when most youth are out of school.

Long Beach Activating Safe Communities (LBASC): The Long Beach Activating Safe Communities (LBASC) Program seeks to prevent and reduce community violence. Initially focused on the Washington Neighborhood, it implemented the Gun Violence Response Protocol (GVRP) to address gun-involved incidents, provide case coordination, and foster multisector partnerships to enhance community resilience. The program has successfully extended its reach to North and Central-East Long Beach areas. Focused on communities affected by gun violence, including youth and families, LBASC has demonstrated notable success. The expanded program will be executed until June 2025, providing community outreach, park programming, youth mentoring, and economic engagement, thereby fostering safer and healthier neighborhoods.

The One-Time funding of \$200,000 in the City Manager's Department in the FY 25 Proposed Budget is planned to support the following within the Health Department:

- \$35,000 – Training for Community Intervention Workers: Funding would be allocated to provide Long Beach Activating Safe Community Intervention

Workers with training at a cost of \$35,000. The training initiative and its curriculum will equip participants with the tools and strategies they need to be successful negotiators, crisis navigators, problem-solvers, high-risk responders, violence intercession specialists, and community-based peacebuilding experts. Their operational protocols provide a community-led, readily accessible demonstrated resource for the disciplines of Public Safety, High Risk Response, Personal Protection, Hostility-Aggression Control, and Violence Interdiction. These efforts are in alignment with Los Angeles County and their violence prevention/intervention strategies.

- \$25,000 – Healing Response: This funding would be used to provide healing response activities for victims, survivors, family members and community members that have been affected by gun violence. These activities include, but are not limited to healing circles, therapy/counseling services, candlelight vigils, tangible goods to meet basic needs such as groceries, transportation, self-care items, clothing, etc.
- \$140,000 – School and Community-Based Interventions: This funding would provide students at highest risk of involvement in gang, community, and gun violence to provide youth development, mentorship, and/or violence prevention programming at school sites and in communities most impacted by gun violence. These services are intended to provide safe spaces for these youth to learn conflict resolution and de-escalation, alternatives to violence, obtain culturally affirming activities, positive adult mentorship, and discuss a myriad of mental health topics. This may also include the implementation of workshops and activities focused on increasing awareness of the disparate impacts of gun violence on youth and contracting credible messengers to speak to these youth, including the possibility of providing safe passage to and from school. Community-based interventions often focus on the underlying risk factors of issues such as drug misuse, violence, and chronic diseases. By focusing on these root causes, the programs can prevent problems from occurring rather than just managing their effects.

9. Please provide information and statistics of the Language Access Program and FY 25 funding.

In the FY 24 Adopted Budget, one-time funding in the amount of \$27,144 was added to the Language Access Program (LAP) to bring the total available funding to \$1 million. As of July 15, 2024, Language Access services received a total number of 420 translation requests, 211 interpretation requests, and experienced 5,268 billed Language Line calls (over-the-phone interpretation).

As part of the FY 25 Proposed Budget, three Program Specialist positions will be added to expand the LAP, contractual services budget will be increased to support LAP, and the base salary for a Program Specialist (LAP Coordinator) will be

increased to align budget with organizational duties in overseeing and coordinating the LAP in the amount of \$704,789, partially offset by charges to other Departments through the new LAP Memorandum of Understanding (MOU) in the amount of \$410,567, for a net increase of \$294,222. In addition, \$100,944 of one-time expiring Long Beach Recovery Act funding will partially offset the three Program Specialist positions through December 31, 2024.

In addition, one-time funding of \$10,000 will be added to purchase Language Access equipment, including but not limited to headsets, transmitters, and related materials for interpretation services.

If you have any questions, please contact Budget Manager Rebecca Bernstorff at (562) 570-6408.

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