REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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To: Karen Bass, Mayor
Marqueece Harris-Dawson, Council President
Katy Yaroslavsky, Chair, Budget and Finance Committee

From: Matthew W. Szabo, City Administrative Officer

Reference: 2026-27 Budget

Subject: **FIRST FINANCIAL STATUS REPORT**

SUMMARY

This Office is transmitting the First Financial Status Report (FSR) for Fiscal Year 2026-27. This report provides an update on the current-year budget, including projected departmental and non-departmental expenditures, the status of the Reserve Fund, actual receipts from 2025-26, revenue trends for 2026-27, and a discussion of issues of concern, which may impact the City's finances.

The City established a solid financial baseline to begin 2026-27 through disciplined fiscal stewardship, structural budget adjustments implemented in prior fiscal years, and substantial year-end reversions from 2025-26. The preliminary year-end estimate of 2025-26 receipts total $8.39 billion, which is $211.3 million above the adopted budget of $8.18 billion, and $72.7 million above the revised budget of $8.32 billion. Entering the 2026-27 fiscal year, the City's financial position showed improvement compared to prior years, with cumulative reserves above our 10 percent Reserve Fund target at 10.12 percent and revenues demonstrating overall strength across major General Fund receipts. Nonetheless, based on current expenditure trends and data, in this First FSR, we are projecting year-end overspending of $321.80 million. The projected overspend amount is substantially higher than the projected year-end overspending of $263.20 million reported for the same period last year.

Of the $321.80 million projected overspend total, the largest portion is attributed to the Fire Department at $140.88 million. This amount is based on the Fire Department's projected civilian hiring and unbudgeted civilian salary payouts, unbudgeted sworn bonuses, expenditures for wildfire cost-sharing agreements, costs to participate in the PP-GEMT and County IGT programs, and shift in sworn deployment policies. Other departments or special funds with substantial projected overspending are the City Attorney due to increased litigation expense and outside counsel costs; the General Services Department due to costs for unbudgeted employee payouts and increased commodity, software licenses, building maintenance, parking, and real estate services prices; the Bureau of Sanitation due to costs for staff overtime in light of full-time vacancies and services provided for unbudgeted activities; the General City Purposes Fund due to costs associated with

the Lifeline and Low Income Subsidy Programs; the Liability Claims Account due to increased liability payouts; and the Petroleum Products Fund due to increased commodity prices.

In addition to the currently projected overspend amount, this Office has identified 25 interim requests for funding in the amount of $28.8 million and four issues of concern that may lead to increased expenditures in the current fiscal year. Two of the issues are related to ballot measures that are on the ballot for the upcoming election occurring on November 3, 2026, one issue is related to the Cabrillo and Venice Beaches Lifeguarding and Maintenance Services, and the last issue is related to the Clean Corridors Program. The need to identify funding for any of the interim requests or the issues of concern will impact the City's ability to address existing overspending and may reduce the City's Reserve Fund. This Office will continue to monitor each one and report in future FSRs with necessary actions to address any additional overspending.

In contrast to the overspending projection, we project overall General Fund revenue to be above plan at $102.2 million through September, after excluding interest earnings which may be owed to special funds. However, with only three months of data, it is too early in the year to project year-end revenue and there are significant downside revenue risks identified in this report including economic sensitive revenues with the September federal reserve rate hike and the possibility of a second increase before the end of this calendar year. Therefore, we do not recommend appropriating revenue to offset any projected overspending at this time.

Although the City's financial health has improved and reflects positive momentum, the City's medium- and long-term financial health requires continued restraint. External geopolitical events, volatile commodity markets, elevated municipal borrowing costs, ongoing liability claims, and pending interim funding requests that are before Council present ongoing downside risks. To maintain structural balance, rebuild long-term reserves, and prepare for major upcoming global events, such as the 2028 Olympic and Paralympic Games, the City must adhere strictly to its financial policies, limit unbudgeted interim appropriations, and absorb operational cost increases within existing departmental allocations to the greatest extent possible, particularly looking ahead in 2027-28, where we are currently projecting a shortfall in the City's General Fund Outlook.

To begin addressing the projected current year budget gap of $321.80 million, in this First FSR we recommend $6.85 million in solutions and identify $131.05 million in potential future actions to further reduce the remaining year-end overspending to $183.90 million. Departments must absorb or manage remaining costs within existing funds and retain projected surpluses to the greatest extent possible. The City should not rely on the Reserve Fund to balance the budget and should continue its work to maintain a healthy Reserve Fund balance.

While the Reserve Fund began the fiscal year at 7.18 percent of General Fund revenue, after accounting for transactions approved since July 1 and the recommendations in this report, the Reserve Fund balance is $619.67 or 7.21 percent of 2026-27 General Fund revenue. Due to the significant overspending identified in this report, the downside risk to revenues, and the need to maintain healthy reserves to provide flexibility for the City to weather potential impacts of external risks to our finances, we strongly recommend that the City refrain from using the Reserve Fund for

purposes other than budget balancing and only after the City has evaluated cost control measures to reduce expenditures.

General Fund Revenue
Attachment 1A – 2025-26 Adopted and Revised General Fund Revenue
Attachment 1B – 2026-27 Adopted General Fund Revenue through September

Key Findings/Recommendations

- *2025–26 Performance: Year-end General Fund revenue reached $8.39 billion, exceeding the adopted budget by $211.3 million (2.6%) and the revised estimate by $72.7 million (0.9%). Gains driven by inflation, energy prices, tourism, and interest offset shortfalls in natural gas franchise fees and delayed grants.*

- *2026–27 Adopted Budget: General Fund revenue budget totals $8.60 billion, up 3.7% ($309.6 million) over the revised 2025–26 estimate and 2.8% ($236.8M) over actual receipts. The modest growth rate reflects fewer one-time receipts from grants, departmental revenue, and property tax relief.*

- *2026–27 Receipts to Date (Through September): Non-interest revenue totaled $1.20 billion—$102.2 million ahead of plan and tracking at 14.5% of the total budget. An additional $6.4 million in excess interest earnings is owed to special funds.*

- *Macroeconomic Headwinds: Recent and projected Federal Reserve rate hikes threaten economically sensitive revenues:*
    - *Real Estate: Higher mortgage rates have slowed transaction volume, exposing documentary transfer taxes to increased volatility.*
    - *Sales and Business Taxes: Elevated prices risk a downturn similar to 2023–24, where inflation gains were followed by sharp contraction.*
    - *Outlook: Wall Street Journal's October 2026 survey estimates a 24% recession risk and raises GDP growth forecasts (tied largely to AI investments), but warns of persistent inflation and weak hiring.*

- *Early-Stage Uncertainty: Three months of data is insufficient for reliable year-end projections. Secured property taxes (5.5% collected) do not arrive until December, and business taxes (8.0% collected) are concentrated after January 1 renewals.*

<u>2025-26 Adopted, Revised, and Actual Revenue</u>
The 2025-26 Adopted Budget assumed $8.18 billion in total General Fund revenue, representing 3.2 percent growth (a $254.4 million increase) from revised 2024-25 estimates and 3.9 percent growth (a $305.3 million increase) above actual 2024-25 receipts. The impact of Palisades fire losses and the initial rollout of disruptive federal economic and immigration policies, which reduced General Fund receipts in the latter half of the 2024-25 fiscal year, informed the conservative, lower-than-average estimates assumed for the 2025-26 budget, which included a $29.0 million

Budget Stabilization Fund transfer (approximately 0.4 percent of the revenue budget) to balance budgeted appropriations.

During consideration of the 2026-27 budget, estimates for many economy-sensitive receipts were increased above initial conservative estimates. The total 2025-26 General Fund revenue estimate was revised to $8.32 billion, reflecting a net increase of $138.6 million (1.7 percent) to the adopted budget. Excluding the $29.0 million transfer from the Budget Stabilization Fund, the revised estimate represented a 4.6 percent increase above revised 2024-25 revenue and a 5.3 percent increase above actual 2024-25 receipts.

Business, sales, parking occupancy and residential development taxes were increased by $79.5 million, $23.2 million, $6.0 million and $2.3 million, respectively, reflecting greater resiliency in the local economy. The utility users tax estimate was increased by $43.5 million with greater demand and costs for electric power. The property tax estimate, initially anticipated to be lower with Palisade fire losses, was increased by $11.9 million with the receipt of $22.0 million in State wildfire relief funds. Departmental revenue estimates were increased by a net $24.9 million, primarily from one-time payments and reimbursement of prior-year costs including related costs, ambulance billings, and Metropolitan Transportation Authority (MTA) transit security services. $17.2 million in anticipated ABLE (Automated Bus Lane Enforcement) receipts were added to the parking fine estimate.

Downward revisions included: -$21.1 million total in unrealized CRA property sales proceeds (-$19.5 million) and lower tax increment growth (-$1.6 million); a -$17.1 million lower Special Parking Revenue Fund transfer resulting from increased special fund contract expenses; a -$10.9 million projected shortfall in transient occupancy tax from continued weakness in the tourism market; -$10.3 million lower interest earnings based on revised interest rate and fund balance assumptions; -$3.9 million reduced grant receipts from delayed Federal Emergency Management Agency (FEMA) reimbursements; -$3.1 million in lower franchise receipts from natural gas; a -$2.1 million reduced Power Revenue Fund transfer; and, -$1.3 million in other adjustments.

The preliminary estimate for actual 2025-26 revenue is $8.39 billion, $72.7 million (0.9 percent) above the revised budget, and $211.3 million (2.6 percent) above the original adopted budget. Among the largest variances from the revised budget are $48.1 million in departmental receipts including Measure A receipts from the County subsequently directed towards interim appropriations ($41.4 million) and increased one-time ambulance billing receipts ($35.0 million). These were offset by shortfalls attributed to lower reimbursements from special funds due to vacancies, delayed payments, and insufficient fund balances ($20.1 million), delayed payments for services to other outside agencies ($3.9 million), and shortfalls in licenses, permits, fees, and fine receipts ($5.9 million). There is a potential to realize up to $18.3 million of 2025-26 budgeted reimbursement receipts in 2026-27. Conversely, shortfalls in base department receipts and the elimination of one-time receipts may translate to lower revenue in 2026-27.

Other positive variances include receipts that were increased in the revised budget in line with existing trends, including business ($4.2 million), parking occupancy ($2.9 million), utility users

($2.5 million), and sales ($1.7 million) taxes. Parking fine revenue ended $6.8 million above revised estimates with higher citation and ABLE receipts. Transient occupancy ($5.7 million) and documentary transfer ($2.3 million) taxes ended in surpluses with a turnaround from previous trends in the final fiscal year quarter. Year-end interest earnings recorded $2.2 million above the reduced estimate.

Offsetting these excess receipts are shortfalls of -$1.2 million in grant receipts with lower related cost reimbursements and delayed state and federal grants, -$1.9 million in natural gas franchise income, and -$0.5 million in smaller variances across other sources.

The 2025-26 Adopted Budget, revised estimates, and preliminary actual receipts are summarized in Attachment 1A, along with details on specific revenue surpluses and shortfalls.

2026-27 Adopted Revenue

The 2026-27 Adopted Budget assumes $8.60 billion in total General Fund revenue. Excluding the 2025-26 transfer from the Budget Stabilization Fund ($29.0 million), assumed growth represents 3.7 percent growth (a $309.5 million increase) from revised 2025-26 estimates and 2.8 percent growth (a $236.8 million increase) from actual 2025-26 receipts. However, after adjusting for other actual and budgeted one-time receipts in 2025-26 and 2026-27, such as department reimbursements, FEMA receipts, and State wildfire relief, adopted growth in ongoing receipts is approximately 4.9 percent, exceeding average growth of 4.1 percent.

Adjusted revenue through September is $1.25 billion. Receipts are $108.7 million above the adopted plan of $1.14 billion, which includes interest earnings that may be owed to special funds. Year-to-date General Fund receipts are 10.6 percent above receipts for the same period last year.

With only three months of revenue data, it remains too early to project year-end revenue. Some sources, such as property tax and business tax, currently reflect collections associated with the prior tax period, with remittances for the new tax period expected in December 2026 and January 2027, respectively. Other taxes, including sales and documentary transfer taxes, may respond more quickly to economic activity; however, shifts resulting from the recent rate increase are not yet reflected in receipts. Early surpluses or deficits should therefore not be interpreted as indicative of full-year performance. Other categories with risks, such as departmental reimbursements, and natural gas users tax and franchise income may also reduce the current surplus.

See the discussion below for greater detail on specific receipts and Attachment 1B for a summary of the variances from the monthly plan.

(See Table 1 on the next page)

Table 1
2026-27 General Fund Revenue and Variance through September
(Million Dollars)

	Adopted Budget	Monthly Plan	Monthly Receipts	Receipts as % of Budget	Variance
Property Tax	$2,948.7	$135.8	$163.4	5.5%	$27.6
Property Tax Ex-CRA Inc.	155.6	-	-	-	-
Department receipts	1,850.9	295.7	322.4	17.4%	26.7
Business Tax	911.0	62.9	72.5	8.0%	9.6
Utility Users Tax*	772.8	183.5	204.5	26.5%	21.0
Sales Tax	681.5	169.4	189.7	27.8%	20.2
Transient Occupancy Tax	313.5	85.6	88.7	28.3%	3.1
Power Revenue Transfer	219.7	-	-	-	-
Documentary Transfer Tax	203.0	51.9	52.1	25.7%	0.2
Parking Occupancy Tax	151.9	38.0	38.6	25.4%	0.6
Franchise Income	130.3	33.2	29.5	22.6%	(3.8)
Parking Fines	125.6	32.6	26.0	20.7%	(6.6)
Interest Income	80.0	41.9	48.3	60.3%	6.4
Grant Receipts	21.1	0.5	3.2	15.1%	2.7
Special Parking Revenue Transfer	12.2	-	-	-	-
Tobacco Settlement	9.1	-	-	-	-
State Motor Vehicle License Fees	6.0	6.0	6.3	106.2%	0.4
Residential Development Tax	4.7	1.2	1.6	33.7%	0.4
Total General Fund	$8,597.4	$1,138.1	$1,246.8	14.5%	$108.7

Property taxes: Net property tax receipts through September are $27.6 million above planned receipts. Much of this surplus can be attributed to fire-impacted property owners becoming current on secured taxes ($12.6 million) and completing redemption payments ($7.9 million) ahead of plan, which may reduce this surplus over the fiscal year. Additionally, higher unsecured ($2.2 million), miscellaneous ($1.7 million), and adjusted receipts ($0.7 million, including additional wildfire relief) as well as lower refund activity ($3.4 million) are offset by lower supplemental receipts (-$0.8 million). There is upside potential to secured receipts based on the County Assessor's forecasted growth in the City's assessed value (4.4 percent) for the next tax period beginning December 2026. The adopted budget estimate assumed 3.9 percent growth based on the Assessor's May estimate for countywide growth.

Department receipts: Departmental receipts through September, which include licenses, permits, fees, fines, and various reimbursements for department services, total $322.4 million, which is $26.7 million above the adopted plan. The surplus can primarily be attributed to reimbursements ahead of plan from the Building and Safety Enterprise Fund ($46.3 million), one-time Measure A receipts from the County directed towards interim appropriations ($11.0 million), and delayed prior

year related cost reimbursements ($8.1 million). Offsetting the surplus is a delay in related cost reimbursements from other funds (-$27.5 million), primarily attributed to fund balance limitations in the Solid Waste Resources Revenue Fund, and a delay in MTA security service reimbursements (-$8.0 million). The related cost category is also susceptible to year-end shortfalls when vacancies or changes to the cost allocation plan rates reduce budgeted reimbursements.

Business tax: Net business tax receipts are $9.6 million above plan attributed to non-cannabis business activity. Most of these receipts are remitted during the business tax renewal period with the new calendar year. Monthly business tax receipts from cannabis activity are at plan.

Sales tax: Sales tax is $20.2 million above planned receipts through September, currently benefiting from the impact of continued high inflation. Sales tax is one of the City's more economically sensitive revenues and will be among the first tax sources to reflect the impact of federal reserve rate increases.

Utility users tax (UUT): Adjusted total receipts through September are $20.9 million above plan, after including approximately $2.9 million in LATax receipts pending recording in FMS. After initially underperforming the previous fiscal year, electricity users tax (EUT) is now $24.2 million above plan as a consequence of higher demand and power generation costs during multiple heatwaves this past summer. Offsetting this surplus are lower natural gas and communication users taxes (-$2.9 million and -$0.6 million, respectively). Both natural gas users tax and franchise receipts are at risk for increasing shortfalls as warm winter temperatures common during El Nino weather patterns are anticipated to reduce demand and pricing.

Transient occupancy tax (TOT): September receipts from hotel and short-term rental activity are $0.6 million and $2.5 million above plan, respectively. Year-to-date receipts are 14.2 percent above first quarter receipts of the prior year and are on track to return to levels realized in 2023-24, while remaining below pre-pandemic revenue.

Power Revenue Transfer: After the adoption of the 2026-27 budget, the Board for the Department of Water and Power increased its estimate for the Power Revenue Transfer by $0.2 million to approximately $219.9 million. The actual transfer amount will be confirmed by the Board once an audit of 2025-26 Power Revenue Fund financial data is completed.

Documentary transfer tax: Receipts through September are near plan, however, both sales volume and prices may decline with recent mortgage rate increases driven by the Federal Reserve's most recent rate increase in September and the potential for an additional increase in December.

Franchise income: Net franchise receipts through September are $3.8 million below plan, due to a shortfall in natural gas franchise income attributed to declining prices and demand. All other receipts are near plan.

Parking fines: Parking fine revenue through September is $6.6 million below plan due to the delayed transfer of monthly ABLE revenue.

Grant receipts: Receipts from grant revenue through September are $3.2 million, which is $2.7 million above the budgeted plan for departmental grant revenue due to accelerated receipts associated with the Police department. The total grant budget includes $8.0 million in FEMA reimbursements related to the final payment for COVID-19 response efforts delayed from fiscal year 2025-26.

Expenditures

Key Findings/Recommendations

- *This Office has identified $321.80 million in projected overspending and unfunded items across various departments and funds.*

- *The recommendations in this FSR address $6.85 million of this overspending leaving $314.95 million to be addressed. This Office has identified anticipated future actions that will offset an additional $131.05 million, reducing year-end overspending to $183.90 million.*

Based on expenditure data through the end of August 2026, this Office has identified $321.80 million in projected overspending and unfunded items across various departments and funds. This amount is largely due to overspending in the City Attorney ($33.75 million), City Clerk ($19.42 million), Fire ($140.88 million), General Services ($9.68 million), Bureau of Sanitation ($9.61 million), General City Purposes ($17.80 million), Liability Claims ($62.38 million), and Petroleum Products ($13.81 million).

The year-end overspending is detailed in Table 2 to follow and is primarily due to the following categories:

- Projected overspending of $33.75 million in the Office of the City Attorney primarily due to increased litigation expenses and outside counsel costs.

- Projected overspending of $19.42 million in the City Clerk is due to unbudgeted retirement payouts, costs associated with Citywide software for ADA compliance, and elections-related invoices.

- Projected overspending of $140.88 million in the Fire Department is due to projected civilian hiring and unbudgeted civilian salary payouts, unbudgeted sworn bonuses, expenditures for wildfire cost-sharing agreements, costs to participate in the PP-GEMT and County IGT programs, and shift in deployment policies.

- Projected overspending of $9.68 million in the General Services Department is due to unbudgeted employee payouts and increased commodity pricing, software licenses, building maintenance, parking, and real estate services prices.

- Projected overspending of $9.61 million in the Bureau of Sanitation is due to increased use of staff overtime in light of full-time vacancies and services provided for unbudgeted activities, such as FIFA World Cup events, support in the Palisades, services for the Lineage facility fire in Boyle Heights, and services related to the Clean Corridors Program.

- Projected overspending of $17.80 million in the General City Purposes Fund is due to the Lifeline and Low Income Subsidy Programs administered by the Bureau of Sanitation.

- Projected overspending of $62.38 million in the Liability Claims Account is due to approved and pending liability payouts.

- Projected overspending of $13.81 million in the Petroleum Products Fund is due to increased commodity prices and prior-year trends.

(See Table 2 on the next page)

Table 2. First FSR Projected Overspending/Unfunded Expenditures (in Millions)		
Departmental and Non-Departmental Overspending		
Department	**FSR**	**Reason**
Animal Services	$ 0.20	Overspending is due to purchase of personnel protective equipement, increased security costs, and current hring plan.
City Attorney	33.75	Overspending is primarily based on the City Attorney's stated costs for litigation expenses and outside counsel costs.
City Clerk	19.42	Overspending is due to unbudgeted retirement payouts, costs associated with Citywide software for ADA compliance, and elections-related invoices.
Civil, Human Rights, and Equity	0.13	Overspending is due to unbudgeted sick and personal leave payouts and current hirign plan.
Community Investment	0.06	Overspending is due to unbudgeted sick and personal leave payouts, retroactive payments, and costs associated with the ongoing department consolidation efffort.
Emergency Management	0.16	Overspending is due to unbudgeted salary bonuses and payouts.
Employee Relations Board	0.03	Overspending is due to a high volume of unfair hearing cases.
Fire	140.88	Overspending is primarily due to projected civilian hiring and unbudgeted civilian salary payouts, unbudgeted sworn bonuses, expenditures for wildfire cost-sharing agreements, costs to participate in the PP-GEMT and County IGT programs, and shift in deployment policies.
General Services	9.68	Overspending is primarily due to unbudgeted employee payouts and increased commodity, software licenses, building maintenance, parking, and real estate services prices.
Information Technology Agency	2.34	Overspending is due to unbudgeted salary payouts, increased use of staff overtime in light of staff reductions, software taxes resulting from California Senate Bill 122, and increased software renewal costs.
Bureau of Sanitation	9.61	Overspending is primarily due to the increased use of staff overtime in light of full-time vacancies and services provided for unbudgeted activities, such as FIFA World Cup events, support in the Palisades, services for the Lineage facility fire in Boyle Heights, and services related to the Clean Corridors Program.
Transportation	0.79	Overspending is primarily due to increased staff overtime in light of special events and full-time vacancies.

(Table 2 continued on the next page)

Non-Departmental		
Repair and Demolition Fund	$ 0.51	Overspending is due to reduced cash flow due to delays in property owner reimbursements.
Planning Case Processing Fund	4.94	Overspending is due to lower than anticipated receipts from the comprehensive fee update effective February 26, 2026.
El Pueblo de Los Angeles Historical Monument Fund	1.18	Overspending is due to lower than anticipated receipts from facilities use fees, rental fees, and parking fees, compounded by tenant rent withholdings.
General City Purposes	17.80	Overspending is primarily due to the Lifeline and Low Income Subsidy Programs administered by the Bureau of Sanitation.
Human Resources Benefits	4.13	Overspending is due to higher premium rate costs compared to the rates assumed in the 2026-27 Adopted Budget.
Liability Claims	62.38	Overspending is due to approved and pending liability payouts.
Petroleum Products	13.81	Overspending is based on projected monthly commodity prices and prior-year expenditure trends.
Total Year-End Overspending	**$ 321.80**	

Current Year Budget Balancing

As illustrated in Table 3 on the following page, the recommendations in this report would reduce the year-end overspending by $6.85 million from $321.80 million to $314.95 million. This Office has identified potential future actions totaling $131.05 million, which will further reduce the remaining year-end overspending to $183.90 million. Departments must absorb or manage remaining costs within existing funds and retain projected surpluses to the greatest extent possible. The City cannot rely on the Reserve Fund to balance the budget and must maintain a healthy Reserve Fund balance.

Table 3. 2026-27 Budget Balancing Solutions		
First FSR Overspending	**$ (321.80)**	
First FSR Recommendations		
UB - Department Payroll Reconciliation	$ 0.22	Transfer to the City Administrative Officer to fund a Workday implementation tenant and for third-party classification and compensation benchmarking services.
UB - Outside Counsel including Workers' Compensation	5.92	Transfer to the City Attorney to partially address the overspending for outside counsel costs.
UB - Ground Emergency Medical Transport QAF Program	0.71	Transfer to the Fire Department for the payment of PP-GEMT-IGT Program costs.
Subtotal	**$ 6.85**	
Potential Future Actions		
IGT Fund (59F)	$ 11.40	Transfer to the Fire Department for eligible emergency medical services costs.
UB - Ground Emergency Medical Transport QAF Program	24.61	Transfer to the Fire Department for the payment of PP-GEMT-IGT Program costs.
UB - Department Payroll Reconciliation	10.78	Transfer to partially address Citywide overspending. These funds are intended to be used for salary payouts associated with labor agreements which are not included in
UB - Election Expense - General Municipal Election	19.17	Transfer to the City Clerk to pay for costs related to the June 2026 Primary and November 3 General elections.
UB - Reserve for Extraordinary Liability	20.00	Transfer to the Liability Claims fund for approved and pending liability payouts.
UB - Reserve for Mid-Year Adjustments	44.00	Transfer to various departments to partially address Citywide overspending.
Various Council Reports (e.g. Transportation Construction Projects Report, motions, grants, etc.)	1.09	Transfer to the Bureau of Street Lighting and Community Investment Department.
Subtotal	**$ 131.05**	
Year-End Overspending	**$ (183.90)**	

Pending Interim Requests for Funding

On October 7, 2025, the Budget and Finance Committee approved an instruction for the CAO to include a list of unfunded requests that are pending before the Council in each FSR. This Office has compiled an initial list of these requests, which we will continue to refine and update in subsequent FSRs (Attachment 11). We have included all items that we identified that are currently

pending before Council or a Council committee that either instruct a department to identify a funding source or that identify a funding source that is equivalent to a new General Fund appropriation.

We did not include requests for reappropriations or requests that departments only submitted to the CAO as part of their FSRs. Consistent with the City's Financial Policies, we have generally not supported these requests for new funding in the FSR and they are, therefore, not pending before Council. This list also does not include items that discuss the initiation of new or increased services if there is not a corresponding request for funding. Nor did we include requests that propose a viable funding source.

We have identified 25 pending requests for funding. While some of the amounts in these requests are not specified, the total amount of identified funding on this list is $28.8 million. If these requests are approved, they would increase our year-end overspending that lacks a potential solution to approximately $207.72 million.

City Reserves

Key Findings/Recommendations

- *After accounting for transactions approved since July 1, pending transfers, and the recommendations in this report, the Reserve Fund balance is $619.67 million, which represents 7.21 percent of the Adopted 2026-27 General Fund revenues, which meets the five percent Reserve Fund policy.*

- *The City maintains budgetary reserves designed to help manage its risks and ensure sufficient resources to meet contingencies. The City's reserves total approximately $869.99 million or 10.12 percent of the total 2026-27 General Fund revenue, which meets the ten percent cumulative reserves funding goal.*

- *If the City is not able to identify other solutions to address approximately $183.90 million of additional overspending we detail in this report, the City's use of the Reserve Fund would reduce the Reserve Fund balance to 5.03 percent of the Adopted General Fund revenue and would result in the City's reserves dropping below the ten percent cumulative reserves funding goal.*

Table 4. Total City Reserves			
Reserves	**Balance** ***(In Millions)***	**%**	**Purpose**
UB, 2026-27 Reserve for Mid-Year Adjustments Account	$ 49.00	0.57%	Available to address shortfalls that may arise throughout the year.
Reserve Fund	619.67	7.21%	Preserved for the most critical needs and matters of urgent economic necessity and are not to be used for ongoing expenses.
Budget Stabilization Fund	201.32	2.34%	Restricted for the maintenance of service levels during years of slow growth and declining revenue.
Total Reserves	**$ 869.99**	***10.12%***	

Unappropriated Balance, Reserve for Mid-Year Adjustments

The 2026-27 Adopted Budget includes $49 million in the UB, Reserve for Mid-Year Adjustments Account. The City should use this account prior to the other reserves. A transfer of $5 million to establish a Lineage Fire Mitigation Response Account in the General City Purposes (C.F. 26-0906-S12) is pending Mayor and City Council approval. If approved, this transfer would result in a remaining balance of $44 million in the UB, Reserve for Mid-Year Adjustments Account. For the purpose of identifying potential future actions to address the overspending reported here, we have assumed that only $44 million will be available in this account for budget balancing.

Reserve Fund
Attachment 2 – Current Status of Reserve Fund

According to the Office of the Controller, the preliminary June 30, 2026, Reserve Fund cash balance was $825.07 million. After the return of short-term loans made by the Controller at year end, adjustments initiated in the prior year and the 2026-27 Adopted Budget, the $14.50 million transfer to the Budget Stabilization Fund, and the 2026-27 budget appropriation of $14.62 million to the Reserve Fund, the July 1, 2026 Available Balance was $617.49 million (see Table 5 below). This represented 7.18 percent of the Adopted 2026-27 General Fund revenues and was approximately $100.55 million more than the 2026-27 Budget of $516.94 million.

Table 5
2026-27 Reserve Fund Available Balance as of July 1, 2026
(millions)

	Budget	Actual	Difference
Cash Balance, June 30*	$790.05	$825.07	$35.02
Other Adjustments	(273.23)	(207.70)	65.53
Transfer to Budget Stabilization Fund	(14.50)	(14.50)	-
General Fund Appropriation to Reserve Fund	14.62	14.62	-
July 1 Available Balance	$516.94	$617.49	$100.55
Emergency Account	$236.43	$236.43	-
Contingency Account	280.51	381.06	$100.55
Reserve Fund as Percent of General Fund	6.01%	7.18%	1.17%

*Reflects $324.53 million in year-end reversions as detailed in Attachment 2A

After accounting for transactions approved since July 1, pending transfers, and the recommendations in this report, the Reserve Fund balance is $619.67 million, which consists of $236.43 million in Emergency Reserve and $383.24 million in Contingency Reserve. This balance represents 7.21 percent of the General Fund budget, which meets the five percent Reserve Fund policy.

The Reserve Fund balance of $619.67 million reflects a net increase of approximately $2.18 million from the July 1, 2026 balance of $617.49 million. Among the transactions contributing to the increase are repayments of advances and other various receipts, partially offset by a reduction of $10.00 million to front fund the Consolidated Plan Grants expenditures (C.F. 26-0619).

In addition to recommended transactions accounted for in this report, the Controller requested a $3.04 million transfer from the Reserve Fund for a sales and use tax settlement payment (C.F. 26-1496), which is pending Council and Mayor approval. If approved, the Reserve Fund balance would be reduced to 7.17 percent of the General Fund budget.

This report presents current year anticipated overspending of $183.90 million that may require the use of the Reserve Fund if the City is not able to identify other solutions. All else being equal, the

use of the Reserve Fund to cover the additional overspending would reduce the Reserve Fund balance to $432.73 million, which is 5.03 percent of the General Fund budget.

Additionally, this Office is aware of internal and external factors that may also require the use of the Reserve Fund, including the realization of any of the downside risks to revenues that we have identified in this report. In light of these potential uses, this Office recommends the City continue to take steps to protect and maintain the Reserve Fund at the five percent minimum policy. Specifically, the City should refrain from using the Reserve Fund to fund new programs, program expansions, and service restorations.

Budget Stabilization Fund

To supplement the Reserve Fund, the City established the Budget Stabilization Fund (BSF) as part of the 2008-09 Budget to prevent overspending during prosperous years and to provide resources to help maintain service levels during lean years. The 2026-27 Adopted Budget includes a transfer to the Budget Stabilization Fund in the amount of $14.5 million. The current balance in the Budget Stabilization Fund is $201.32 million.

Issues of Concern

Key Findings/Recommendations

- *Additional internal and external factors that may have an impact on the City include costs associated with upcoming ballot measures and unbudgeted services related to lifeguarding and maintenance services and the Clean Corridors Program.*

Charter Amendment/Two-Year Budget

Los Angeles Measure LA is a ballot initiative on the November 2026 election to amend the City Charter and enact the following: 1) establish a capital infrastructure plan; 2) transition the City's budget process from a one-year budget cycle to a two-year budget cycle; 3) expand the authority of the Director of Public Works; 4) remove restrictions prohibiting the City from engaging in business enterprises and mortgaging City-owned property; and 5) modify contracting rules and procedures. This Office estimates that transitioning to a two-year budget cycle and establishing a capital infrastructure plan will cost approximately $4 to $6 million in one-time costs to upgrade budget and asset management systems, train staff, and consult with subject matter experts. If passed, the Mayor will need to transmit the 2027-28 and 2028-29 Proposed Budget to Council by April 1, 2027 and costs related to Measure LA may begin to be incurred in the current fiscal year. This Office will monitor the upcoming elections and report in future FSRs to address any funding needs that results from Measure LA if it is approved by voters.

Fire Ballot Measure

Los Angeles Measure FD is a ballot initiative on the November 2026 election to increase the sales tax in the City of Los Angeles by one-half percent (0.5%) from 10.25% to 10.75% and to use the additional tax revenue to provide additional resources to the Fire Department. If passed, the measure is anticipated to generate approximately $345 million annually in additional funding and

establish a citizen's oversight committee to monitor the expenditures and revenue collected by the measure. Revenue collected by this measure must comply with the maintenance of effort and should only be used to supplement existing expenditures. This Office will monitor the upcoming elections and its results.

Cabrillo and Venice Beaches Lifeguarding and Maintenance Services

In September 2026, the Board of Recreation and Park Commissioners approved successor agreements to the 1975 Joint Powers Agreement with Los Angeles County for the provision of lifeguarding and maintenance services at Cabrillo and Venice Beaches, which expired on September 18, 2026. The new agreements are effective as of September 19, 2026 and will expire in 2030-31. Under the new agreements for lifeguarding services, the Department will pay the County an annual cost for lifeguarding services. The 2026-27 estimated cost is $1,169,294. Maintenance services at Cabrillo Beach will continue to be performed by the Department. The cost for maintenance services at Venice Beach will be determined annually following a reconciliation of actual revenues and expenses. At this time, the Department reports that there is no funding available to support 2026-27 lifeguarding costs of $1,169,294 in either the Department's operating budget or special funds. This Office recommends that the Department report within 30 days to the City Council via a separate transmittal with the details of the new contract terms and the current and future year fiscal impacts of these new agreements.

Clean Corridors

The 2026-27 Adopted Budget provided $10,982,888 in the Unappropriated Balance for the implementation of the Clean Corridors Program with an instruction to report to Council prior to the transfer or expenditure of funds. The Clean Corridors Program is a multi-departmental program to enhance Citywide efforts to clean and beautify commercial corridors and a joint report was released on September 16, 2026 in coordination with the Bureau of Street Services, Bureau of Sanitation, and the General Services Department. This Office released a report on October 9, 2026 to transfer and appropriate $7,849,362 from the Unappropriated Balance to the Bureau of Street Services ($3,461,480), Bureau of Sanitation ($3,948,123), and General Services Department ($439,759) to cover costs of implementing the program until June 30, 2027. This Office will continue to monitor the program expenditures and report in future FSRs with recommendations to address any projected overspending.

Four-Year Budget Outlook
Attachment 10 – Four-Year General Fund Budget Outlook

The 2026-27 Adopted Budget Outlook (Outlook) projects shortfalls in the next three fiscal years before a surplus is realized in 2030-31. Specifically, Attachment 10 illustrates that the City projects to have a shortfalls of $166 million in 2027-28, $111.4 million in 2028-29, and $5.8 million in 2029-30 before realizing a surplus of $111.8 million in 2030-31. The Outlook made several assumptions that, if not met, will change future year projections. We discuss those below.

Los Angeles City Employees' Retirement System/Los Angeles Fire and Police Pensions

The boards of the Los Angeles City Employees' Retirement System (LACERS) and the Los Angeles Fire and Police Pension System (LAFPP) considered and approved changes to the economic, demographic, and retiree health assumptions based on comprehensive actuarial experience studies following the adoption of the 2026-27 Budget. Both systems also considered their respective assumed rate of return, where LACERS reduced the assumed rate of return from 7.00 percent to 6.75 percent, while LAFPP maintained the 7.00 percent rate of return. These actions are not reflected in the Outlook. While it is premature to determine the actual impact of these changes on the City's required 2027-28 contributions, this Office estimates that, all else being equal, it will increase the 2027-28 contribution by approximately $183 million.

Convention Center Modernization and Expansion

The Outlook includes debt service payments associated with the Los Angeles Convention Center Expansion and Modernization Project beginning in 2028-29, which is comprised of debt service for the Series 2025 Bonds issued in November 2025 and the estimated debt service for the Series 2026 Bonds. This Office had originally expected to sell the Series 2026 Bonds in September 2026, but ultimately decided to delay pricing due to volatile market conditions. The CAO intends to re-enter the market to sell the bonds at a later date. Depending on market conditions, the CAO may issue a single series of bonds to finance the remaining Project costs or issue bonds in multiple tranches at varying points in time (C.F. 15-1207-S8). Actual debt service relating to the Series 2026 Bonds may deviate from estimates based on bond terms and sizing as well as market conditions at the time of issuance, which may impact the Outlook.

Charter Amendment PRK

A Charter Amendment is currently proposed on the November 3, 2026 ballot to increase the minimum budget for the Department of Recreation and Parks (RAP) from 0.0325 percent to 0.065 percent of assessed property values, phased over 10 years. Should this measure pass, it will require an increase to the General Fund appropriation to RAP in 2027-28 ($32 million), 2028-29 ($66 million), 2029-30 ($105 million), 2030-31 ($147 million), and 2031-32 ($193 million). As this initiative does not have a source of revenue, this may impact the Outlook if the City cannot reallocate existing General Fund resources to fund the mandated increase to RAP.

Revenues

The Outlook projects continuing revenue growth through 2030-31 based on historical averages. If the revenue falls short of budgeted projections or declines from an economic downturn, it will increase projected shortfalls from 2027-28 through 2029-30 and decrease projected surpluses in 2030-31.

Expenditures

The Outlook assumes the size of the workforce will remain flat after 2026-27 with no major changes in City services. The sworn labor agreements for the Police Department expire in 2026-27, while the sworn agreements for the Fire Department expire in 2027-28. The majority of civilian labor agreements expire in either 2027-28 and 2028-29, with the last of the civilian base wage increases occurring in 2027-28. The Outlook does not assume future labor agreements. Any compensation

adjustments that those agreements include will increase the projected deficits in 2028-29 and 2029-30 and reduce the projected surplus in 2030-31.

The Outlook also does not take into account costs associated with major construction projects and does not assume continuing inflation, ongoing extraordinary liability payouts, or increased expenditures related to extreme weather events (e.g. El Nino) and wildfire response.

This Office will continue to monitor these issues and make adjustments to the Outlook as part of the Mayor's Proposed Budget for 2027-28.

Budgetary Adjustments

Budgetary adjustments totaling $1,244.64 million are recommended in Sections 1, 2, and 4 of this report which include:

- $26.84 million in new appropriations;
- $29.17 million for transfers between accounts within various departments and funds;
- $15.34 million for transfers between various departments and funds;
- $12.83 million in appropriations from the Unappropriated Balance;
- $177.30 million in reductions to special fund appropriations;
- $977.74 million in reductions to special fund appropriations
- $5.42 million in disencumbrances and reappropriations

Attachments

1A 2025-26 Adopted and Revised General Fund Revenue
1B 2026-27 Adopted General Fund Revenue through September
2 Current Status of Reserve Fund
2A Schedule of Reversion to the Reserve Fund and Other Funds
3 New Appropriations
4 Transfers between Accounts within Departments and Funds
5 Transfers between Departments and Funds
6 Appropriations from the Unappropriated Balance
7A Status of the Unappropriated Balance-General Account
7B Status of the Unappropriated Balance-Reserve for Mid-Year Adjustments
7C Status of the Unappropriated Balance-non-General Account
8 Status of Liability Claims Account
9 Employment Level Report
10 Four-Year General Fund Budget Outlook
11 List of Pending Interim Requests for Funding

RECOMMENDATIONS
(Refer to Discussion Sections 1, 2, and 4)

That the Council, subject to the approval of the Mayor:

1. Appropriate $26,837,335.94 to various department and fund accounts as specified in Attachment 3;

2. Transfer $29,171,142.60 between accounts within various departments and funds as specified in Attachment 4;

3. Transfer $15,348,955.47 between various department and funds as specified in Attachment 5;

4. Transfer $12,830,816.21 from the Unappropriated Balance to various departments and funds as specified in Attachment 6;

Building and Safety

5. Authorize the Controller to:
    a. Disencumber up to $446,687 in the Fiscal Year 2025-26 encumbered balance for Matrix Consulting Group (Vendor Code 100022367, SC 08 CO25201691M) within the Building and Safety Fund No. 100/08, Account No. 003040, Contractual Services;

    b. Process an early reversion of the disencumbered funds to the Reserve Fund No. 101/62, and,

    c. Transfer a like amount from the Reserve Fund to the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to the Building and Safety Fund No. 100/08, Account No. 003040, Contractual Services to complete the Comprehensive Code Enforcement Study.

City Administrative Officer

6. Authorize the Controller to:

    a. Disencumber $212,571.50 in Fiscal Year 2025-26 encumbered balance for IEM International Inc. (Vendor Code VC0000004509, SC 10 CO26200961M) within City Administrative Officer Fund No. 100/10, Account No. 003040, Contractual Services,

    b. Process an early reversion of the disencumbered funds to the Reserve Fund No. 101/62, and

c. Transfer a like amount from the Reserve Fund to the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to the City Administrative Officer Fund No. 100/10, Account No. 003040, Contractual Services to be encumbered under a new contract with IEM to continue their financial recovery efforts and services from Contract No. C-204631.

7. Authorize the Controller to:

a. Disencumber $39,447.81 in prior year encumbrances within the Insurance Premiums Special Fund No. 46S/10, in the specific amounts and accounts as listed in the table below:

BFY	APPR	Encumbrance Doc.	Amount
2021	10T820	CO22139871M	$ 39,196.10
2022	100230	CO22137664M	159.85
2026	100230	CO26144398M	91.86
		Total:	**$ 39,447.81**

b. Process an early reversion of the disencumbered funds to the Reserve Fund No. 101/62, and

c. Transfer a like amount from the Reserve Fund to the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to the Insurance Premiums Special Fund No. 46S/10, Account No. 100230 to be encumbered for the procurement of insurance.

8. Appropriate $350,000 from the Reserve Fund No. 101/62 to the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to the City Administrative Officer Fund No. 100/10, Account No. 003040, Contractual Services Account to fund 2025-26 costs related to performance oversight and operational problem-solving efforts in homelessness response (C.F. 26-0484, C-204582).

9. Authorize the payment of $5,388,164.51 payable to California Governor's Office of Emergency Services (Cal OES) from the Disaster Assistance Trust Fund No. 872/10, Balance Sheet Account No. 2082, Due To Grantor-Federal to Cal OES for an overpayment of funds related to COVID FEMA Public Assistance funds.

Community Investment for Families

10. Authorize the Controller to:

a. Disencumber up to $244,930 in Fiscal Year 2025-26 encumbered balances for Contract No. C-138578 with Onni Hotel (SC 21 CO26138578M) within the Community Investment Department Fund No. 100/21, Account No. 003040, Contractual Services Account; and,

b. Process an early reversion of the disencumbered funds to the City of Los Angeles Affordable Housing Trust Fund No. 44G/43, and appropriate therefrom into the same account in the same amount to continue to pay for temporary housing costs associated with the fireworks explosion on East 27th Street.

11. Authorize the Controller to:

a. Disencumber up to $449,177.29 in Fiscal Year 2025-26 encumbered balances for Contract No. C-138578 with Onni Hotel (SC 21 CO26138578M) within the Community Investment for Families Department Fund No. 100/21, Account No. 003040, Contractual Services Account; and,

b. Process an early reversion of the disencumbered amount to the Reserve Fund No. 101/62; subsequently transfer the amount to the Unappropriated Balance Fund No. 100/58; and appropriate therefrom to the Community Investment Department Fund No. 100/21, Account No. 003040, Contractual Services Account to continue to pay for temporary housing costs associated with the fireworks explosion on East 27th Street.

12. Authorize the Controller to:

a. Disencumber up to $235,812.38 in Fiscal Year 2025-26 encumbered balances for Contract No. C-204042 with the Young Men's Christian Association of Metropolitan Los Angeles (SC 21 CO26204042Y) within the Community Investment Department Fund No. 100/21, Account No. 003040, Contractual Services Account; and,

b. Process an early reversion of the disencumbered amount to the CIFD Miscellaneous Grants and Awards Fund No. 65G/21; and appropriate therefrom into the same account in the same amount to continue outreach services for the City's OpportunityLA Program and the California Kids Investment and Development Savings Program.

13. Rescind a transaction in Recommendation No. 44a, Attachment 10, of the 2025-26 Fourth Financial Status Report (C.F. 25-0600-S138), to reappropriate $464,068.50 from the Community Investment for Families Department Fund No. 100/21, Account No. 003040, Contractual Services for the 27th Street Temporary Housing line item because the funds were encumbered by year end.

14. Rescind a transaction in Recommendation No. 44b, Attachment 11, of the 2025-26 Fourth Financial Status Report (C.F. 25-0600-S138), to reappropriate $499,224.73 from the CIFD Miscellaneous Grants and Awards Fund No. 65G/21, Account No. 003040, Contractual Services for the OpportunityLA Program line item because the funds were encumbered by year end.

15. Rescind a transaction in Recommendation No. 44b, Attachment 11, of the 2025-26 Fourth Financial Status Report (C.F. 25-0600-S138), to reappropriate $463,500 from the House LA Fund No. 66M/43, Account No. 003040, Contractual Services for the United to House LA Income Support Program line item because the funds were encumbered by year end.

16. Reduce appropriations in the amount of $11,849.50 within the Health Insurance Counseling and Advocacy Medicare Improvement Fund No. 47Y/02, Account No. 02C102, Aging to align with available Medicare Improvement for Patients and Providers Act grant funding.

17. Reduce appropriation in the amount of $134,377 within the Supplemental Nutrition Assistance Program Education Fund No. 57E/02, Account No. 02C102, Aging to align with available grant funding.

Fire

18. Instruct the Fire Department to report within 30 days to the City Council via a separate transmittal, with details of the deployment changes implemented by the department and the projected costs associated with each change. The report shall include a projection of the Salaries Sworn and Overtime Constant Staffing expenditures for the current year and how it compares to expenditures in prior years.

Housing

19. Authorize the Controller to:

    a. Decrease appropriations in the amount of $1,115,236.84 within the LAHD General Fund Program Fund No. 10A/43 Account No. 43WC48, Homekey 2.0 Reserve Fund Loan, to align the appropriation account with the actual cash transfer that is received.

    b. Decrease appropriations for the following accounts within the Affordable Housing Trust Fund No. 44G/43 to align appropriations with the available cash balance:

Account No.	Account Name	Amount
43Y906	At-Risk Affordable Housing Tenant Outreach Services	$ (103,000.00)
43A143	Housing	(245,737.30)
43A299	Reimbursement of General Fund Costs	(312,095.98)
43C411	Unallocated	(3,500,972.00)
	Total	**$ (4,161,805.28)**

c. Decrease appropriations for the following accounts within the Municipal Housing Finance Fund No. 815/43 to align appropriations with the available cash balance:

Account No.	Account Name	Amount
43N900	Contract Programming - System Upgrades	$ (1,402.69)
43P143	Housing and Community Investment	(169.54)
43Y143	Los Angeles Housing Department	(1,351,484.20)
43Y299	Reimbursement of General Fund Costs	(116,457.83)
43A299	Reimbursement of General Fund Costs	(53,664.75)
43A411	Unallocated	(14,100,342.00)
43C411	Unallocated	(13,566,685.00)
	Total	**$ (29,190,206.01)**

d. Decrease appropriations for the following accounts within the Low and Moderate Income Housing Fund No. 55J/43 to align appropriations with the available cash balance:

Account No.	Account Name	Amount
43J412	Service Delivery	$ (59,830.85)
43Y143	Los Angeles Housing Department	(516,722.32)
43A143	Housing	(335,131.61)
43A299	Reimbursement of General Fund Costs	(13,593.76)
	Total	**$ (925,278.54)**

e. Decrease appropriations for the following accounts within the Los Angeles Housing Department Small Grants and Awards Fund No. 49N/43 to align appropriations with the available cash balance:

Account No.	Account Name	Amount
43L299	Reimbursement of General Fund Costs	$ (1,945.83)
43M299	Reimbursement of General Fund Costs	(81.74)
43P299	Reimbursement of General Fund Costs	(3,818.18)
43T143	Housing and Community Investment	(44.36)
43V143	Housing and Community Investment	(0.57)
43W143	Los Angeles Housing Department	(24.46)
43Y143	Los Angeles Housing Department	(9,507.04)
43A143	HOUSING	(53,496.41)
43J412	Service Delivery	(1,842.00)
43S872	Children's Savings Account	(3,735.00)
43T904	Administrative Reserve	(44,938.26)
43V904	Administrative Reserve	(172,236.00)
43VA90	REAP Grant Contract Services	(120,484.76)
43Y682	Engineering Special Service Fund	(29,776.87)

43T792	HIMS Replacement	(52,664.50)
	Total	**$ (494,595.98)**

f. Decrease and increase appropriations for the following accounts within the House LA Fund No. 66M/43 to realign appropriations with the available cash balance:

Account No.	Account Name	Amount
43Y00D	Homelessness Prevention Program	$ (704,314.78)
43Y00B	Administration	704,314.78
43Y00D	Homelessness Prevention Program	(2,051,613.74)
43A00B	Administration	2,051,613.74
43E00C	Affordable Housing Programs	(332,086,187.00)
43E00D	Homelessness Prevention Programs	(142,322,652.00)
43C999	Reserve for Future Costs	(466,160,000.00)
	Total	**$ (940,568,839.00)**

g. Decrease appropriations for the following accounts within the Housing Production Revolving Fund No. 240/43 to align appropriations with the available cash balance:

Account No.	Account Name	Amount
43T143	Los Angeles Housing Department	$ (18.89)
43V143	Los Angeles Housing Department	(9,695.09)
43V299	Reimbursement of General Fund Costs	(57,652.73)
43W299	Reimbursement of General Fund Costs	(3,121.69)
43A299	Reimbursement of General Fund Costs	(4,597.08)
	Total	**$ (75,085.48)**

h. Decrease appropriations for the following accounts within the Neighborhood Stabilization Fund No. 50T/43 to align appropriations with available grant funding:

Account No.	Account Name	Amount
43P112	City Attorney	$ (88,665.63)
43P299	Reimbursement of General Fund Costs	(29,628.50)
43R112	City Attorney	(85,736.00)
43R299	Reimbursement of General Fund Costs	(67,637.00)
	Total	**$ (271,667.13)**

i. Decrease appropriations for the following accounts within the ARRA-Neighborhood Stabilization Program 2 Fund No. 52J/43 to align appropriations with available grant funding:

Account No.	Account Name	Amount
43P299	Reimbursement of General Fund Costs	$ (11,769.35)
43R299	Reimbursement of General Fund Costs	(23,243.20)
	Total	**$ (35,012.55)**

j. Decrease appropriations for the following accounts within the Neighborhood Stabilization Program 3-WRSA Fund No. 53T/43 to align appropriations with available grant funding:

Account No.	Account Name	Amount
43N299	Reimbursement of General Fund Costs	$ (7,617.30)
43R299	Reimbursement of General Fund Costs	(78,888.00)
43S299	Reimbursement of General Fund Costs	(5,602.00)
	Total	$ (92,107.30)

k. Decrease appropriations for the following accounts within the HUD Connections Grant Fund No. 47X/43 to align appropriations with available grant funding:

Account No.	Account Name	Amount
43W393	Tenant Base Rental Assist Home	$ (10,503.00)
43E315	Project Sponsor Administration	(1,582.52)
43E334	Tenant Based Rental Assistance	(33,384.00)
43J319	Project Sponsor Administration	(13,919.32)
43J334	Tenant Based Rental Assistance	(78,518.00)
43M304	Administration Reserve	(20,958.00)
43N299	Reimbursement of General Fund Costs	(2,830.18)
43R299	Reimbursement of General Fund Costs	(13.00)
43S143	Los Angeles Housing Department	(1.00)
43T334	Tenant Based Rental Assistance	(39.00)
43T911	CARES Act - Program	(98.99)
43V143	Los Angeles Housing Department	(34.36)
43W299	Reimbursement of General Fund Costs	(1,195.45)
	Total	**$ (163,076.82)**

20. Authorize the Controller to:

a. Decrease appropriations for the following accounts within the Emergency Solutions Grant Fund No. 517/43 to align appropriations with the approved Consolidated Plan Grant allocations in the 52nd Program Year:

Account No.	Account Name	Amount
43E143	Los Angeles Housing Department	$ (211,481.00)
43E299	Reimbursement of General Fund Costs	(183,344.00)
	Total	**$ (394,825.00)**

b. Decrease appropriations totaling $211,481 from the following accounts within the Housing Department Fund No. 100/43 to align with Emergency Solutions Grant available grant balance:

Account No.	Account Name	Amount
001010	Salaries General	$ (190,634.00)
001070	Salaries As-Needed	(794.00)
001090	Overtime General	(164.00)
002120	Printing And Binding	(378.00)
002130	Travel	(24.00)
003040	Contractual Services	(3,793.00)
003310	Transportation	(373.00)
006010	Office and Administrative	(2,900.00)
006030	Leasing	(12,421.00)
	Total	**$ (211,481.00)**

Mayor

21. Authorize the Controller to:

a. Disencumber up to $3,555,155.13 in Fiscal Year 2020-21 ($346,035.33) and 2021-22 ($3,209,119.80) encumbered balances for the Gang Reduction and Youth Development (GRYD) service provider contracts as listed in the table below within the Mayor's Fund No. 100/46, Account No. 003040, Contractual Services;

	Service Provider	Contract No.	Encumbrance ID	Amount
	Fiscal Year 2020-21			
1	Community Partners/ Urban Peace Institute/ Chapter Two, Inc.	C-131710	CO21131710M	$ 5,569.30
2	Toberman Neighborhood Center	C-131715	CO21131715M	59,081.11
3	Volunteers of America	C-132200	CO21132200M	84,861.73
4	Community Partners	C-132203	CO21132203M1	81,214.70
5	California State LA University Auxiliary Services	C-132202	CO21132202M	36,175.80
6	Harder + Company Community Research, Inc.	C-132397	CO21132397M	3,539.97
7	Chapter Two, Inc.	C-131716	CO21131716M1	6,336.60
8	Chapter Two, Inc.	C-131716	CO21131716M2	8,980.00
9	Community Coalition for Substance Abuse and Prevention Treatment/ Advocates for Peace and Urban Unity	C-132106	CO21132106M2	9,615.50
10	Community Coalition for Substance Abuse and Prevention Treatment / Advocates for Peace and Urban Unity	C-132106	CO21132106M3	26,451.58
11	Community Build Inc.	C-131713	CO21131713M1	2,646.60
12	Community Build Inc.	C-131713	CO21131713M2	3,160.80
13	Community Partners	C-132203	CO21132203M2	6,098.38
14	Soledad Enrichment Action	C-131709	CO21131709M3	4,726.61
15	Southern California Crossroads	C-137255	CO21137255M2	7,576.65
			2020-21 Total	***$ 346,035.33***
	Fiscal Year 2021-22			
1	Alma Family Services	C-131934	CO22131934M	205,672.15
2	Asian American Drug Abuse	C-131703	CO22131703M	137,152.89

	Program			
3	Barrio Action Youth and Family Center	C-131781	CO22131781M	$4,037.08
4	Brotherhood Crusade	C-131935	CO22131935M	62,322.10
5	Community Build Inc.	C-131706	CO22131706M	180,055.50
6	El Centro Del Pueblo	C-131783	CO22131783M	176,984.45
7	El Nido Family Centers	C-131937	CO22131937M	58,332.50
8	Helper Foundation	C-131707	CO22131707M	31,788.85
9	Legacy LA	C-131938	CO22131938M	18,823.70
10	New Directions for Youth	C-131701	CO22131701M	158,329.82
11	P.F. Bresee Foundation	C-131702	CO22131702M	5,515.22
12	Soledad Enrichment Action	C-131704	CO22131704M	5,962.83
13	Southern California Crossroads	C-137255	CO22137255M	92,089.47
14	Toberman Neighborhood Center	C-131705	CO22131705M	27,780.02
15	Watts Labor Community Action Committee	C-131933	CO22131933M	188,887.96
16	Community Partners/Urban Peace Institute/Chap	C-131710	CO22131710M	356,494.83
17	Connie Rice Institute for Urban Peace	C-140378	CO22140378	22,928.12
18	Alliance for Community Empowerment	C-131714	CO22131714M	4,026.53
19	Community Coalition for Substance Abuse and Prevention Treatment/ Advocates for Peace and Urban Unity	C-132106	CO22132106M	62,025.66
20	Community Partners/Community Warriors 4 Peace	C-131939	CO22131939M	146,649.53
21	Community Build Inc.	C-131713	CO22131713M	32,834.71
22	Chapter Two, Inc.	C-131716	CO22131716M	23,724.94
23	Communities in Schools	C-131834	CO22131834M	66,507.04
24	Developing Options	C-131936	CO22131936M	23,623.22
25	Helper Foundation	C-131712	CO22131712M	41,994.28
26	Heluna Health	C-131711	CO22131711M	61,532.19
27	Soledad Enrichment Action	C-131709	CO22131709M	117,528.71
28	Toberman Neighborhood Center	C-131715	CO22131715M	64,568.17
29	Volunteers of America	C-132200	CO22132200M	30,846.32
30	California State Los Angeles University Auxiliary Services, Inc.	C-132202	CO22132202M	69,895.20

31	Harder + Company Community Research, Inc.	C-132397	CO22132397M	1,297.09
32	Chapter Two, Inc.	C-131716	CO22131716M1	7,149.99
33	Community Coalition for Substance Abuse and Prevention Treatment/ Advocates for Peace and Urban Unity	C-132106	CO22132106M1	30,393.56
34	Community Build Inc.	C-131713	CO22131713M1	14,698.71
35	Community Partners	C-132203	CO22132203M	137,235.52
36	Soledad Enrichment Action	C-131709	CO22131709M2	5,665.75
37	Southern California Crossroads	C-137255	CO22137255M1	36,299.47
38	Community Build Inc.	C-131713	CO22131713M2	166,738.68
39	Community Partners/ Community Warriors 4 Peace	C-131939	CO22131939M1	22,000.00
40	Community Partners/ Community Warriors 4 Peace	C-131939	CO22131939M2	22,000.00
41	Community Partner/ Urban Peace Institute	C-140534	CO22140534M	9,652.10
42	Connie Rice Institute for Urban Peace	C-140562	CO22140562M	28,956.20
43	Developing Options	C-131936	CO22131936M1	23,672.12
44	Soledad Enrichment Action	C-131709	CO22131709M1	4,339.03
45	Chapter Two, Inc.	C-131716	CO22131716M2	4,002.63
46	Community Coalition for Substance Abuse and Prevention Treatment/ Advocates for Peace and Urban Unity	C-132106	CO22132106M2	23,000.00
47	Community Partners/Stop the Violence Increase	C-132203	CO22132203M1	140,081.28
48	Volunteers of America	C-132200	CO22132200M1	23,208.64
49	Community Partners/ Stop the Violence Increase	C-132203	CO22131707M1	2,447.00
50	Alma Family Services	C-131934	CO22131934M1	3,186.24
51	Soledad Enrichment Action	C-131704	CO22131704M1	24,181.80
			2021-22 Total	**$3,209,119.80**
			Total	**$ 3,555,155.13**

b. Process an early reversion of the disencumbered funds to the Reserve Fund No. 101/62; and,

c. Transfer a like amount from the Reserve Fund to the Unappropriated Balance Fund No. 100/58; and appropriate therefrom to the Mayor's Fund No. 100/46, Account No. 003040, Contractual Services to support 2026-27 GRYD contracts.

22. Authorize the Controller to reduce appropriations in the amount of $38,040.37 within the Fiscal Year 2020 Legislative Pre-Disaster Mitigation Fund No. 63R/46, Account No. 46E146, Mayor and the Mayor's Fund 100/46, Account No. 001010, Salaries General for grant closeout.

23. Authorize the Controller to realign appropriations within the Mayor's Fund No. 100/46 as listed below to appropriately reflect grant related staff costs:

Account No.	Account	Amount
001020	Grant Reimbursed	$ (169,937.20)
001010	Salaries, General	169,937.20
	Total	**-**

Public Works/Board

24. Authorize the Controller to disencumber up to $86,473.76 in Fiscal Year 2025-26 encumbered balance for Contract No. C-145470 with the Los Angeles Conservation Corps. within the Board of Public Works Fund No. 100/74, Account No. 003040 Contractual Services, process the early reversion of the disencumbered amount to the Fund No. 68S/22, Account No. 22C174 and reappropriate to Fund No. 68S/21 Account No. 21E174 and subsequently transfer and appropriate therefrom to the Board of Public Works, Fund No. 100/74, Account No. 001010, Salaries General, to support a portion of program-related expenditures in Fiscal Year 2026-27.

Public Works/Bureau of Contract Administration

25. Authorize the Controller to disencumber up to $149,448.26 from the Fiscal Year 2024-25 balances, as follows:

a. $142,471.70 in Fiscal Year 2024-25 encumbered balances for Contract No. C-138160, Pastilla Inc. (C025138160M) within the Bureau of Contract Administration Fund No. 100/76, Account No. 003040, Contractual Services;

b. $6,976.56 in Fiscal Year 2024-25 encumbered balances for Authority For Expenditure No. 760003M, for deputy license and exam fee reimbursements (AE25760003M) within the Bureau of Contract Administration Fund No. 100/76, Account No. 006010, Office and Administrative Account and revert the disencumbered amount totaling $149,448.26 to the Reserve Fund;

c. Authorize the Controller to transfer up to $149,448.26 from the Reserve Fund to the Measure M Local Return Fund, Fund 59C/94, Revenue Source Code 5692 for 2025-26 expenditures to reflect expenditures that should be attributed to the General Fund.

Public Works/Bureau of Sanitation

26. Authorize the Controller to correct the funding sources for expenditures reported in FY 2024-2025 Bureau of Sanitation Reversion Worksheet for the overtime expenses incurred for activities related to implementing the City's Low Impact Development Ordinance and complying with the National Pollutant Discharge Elimination System Municipal Separate Storm Sewer System permit requirements. Authorize the transfer of $19,372.89 from GOB 2011A Clean Water Cleanup Fund No 16V/50, Account No 50A182, Bureau of Sanitation to the Stormwater Pollution Abatement Fund No 511/50, Account No 50A182, Bureau of Sanitation ($19,372.88) and Sewer Operations & Maintenance Fund No 760/50, Account No 50A182, Bureau of Sanitation ($0.01).

Recreation and Parks

27. Instruct the Department of Recreation and Parks to report within 30 days to the City Council via a separate transmittal, with the details of the new contract terms for the successor agreements to the 1975 Joint Powers Agreement with Los Angeles County for the provision of lifeguarding and maintenance services at Cabrillo and Venice Beaches. This report should also include the current and future year fiscal impacts of these new agreements.

Technical

28. Authorize the CAO to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.

FISCAL IMPACT STATEMENT

In this report we identify a total of $321.80 million in projected over-expenditures. We recommend transfers, appropriations, and other budgetary adjustments totaling $1,245.00 million in Sections 1, 2, and 4 of this report.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City’s Financial Policies as the recommended transactions use current revenues and balances to pay for current operations.

DISCUSSION

In preparation of this report, this Office has performed an analysis of all departments and funds in an effort to identify spending, revenue, or any other issues of concern. Generally, we base our analysis on data through August 31, 2026.

The following is a discussion regarding the recommendations included in the report and other budget related items. The discussion is presented in the following sections:

Section 1. Status of Departmental Budgets 37
Section 2. Status of Non-Departmental Funds and Special Accounts 106
Section 3. Status of Employment.....111
Section 4. Status of State Budget 111
Section 5. Status of American Rescue Plan Act – State and Local Fiscal Recovery Funds 113
Section 6. Status of Fee Waivers for Plan Check and permit Fees 115

1. STATUS OF DEPARTMENTAL BUDGETS

This section addresses the status of department expenditures and revenues, presents projected year-end overspending, and highlights issues of concerns. Recommendations include new appropriations, transfers for operational needs, and budget balancing proposals.

A. Animal Services
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Overspending (Shown as Negative, in millions)			
Salaries General	$ (0.08)	$ -	Projected overspending is due to the Department's hiring plan.
Contractual Services	(0.12)	-	Projected overspending is due to the purchase of personal protective equipment and increased security services.
General Fund Total	**$ (0.20)**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 2.99	$ 2.82	$ 0.17	Projected revenue shortfall is primarily due to reduced filming permits and dog pound fee receipts based on year-to-date revenue trends.

This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address any projected overspending.

This Office does not recommend any transactions at this time.

B. Building and Safety
Recommendation No. 5

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.61	$ -	Projected surplus is due to staff vacancies. The Department has a seven percent vacancy rate.
Other Surplus Accounts	0.33	-	Projected surpluses in several accounts are based on year-to-date expenditure trends.
General Fund Total	**$ 0.94**	**$ -**	

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 26.82	-	Projected surplus is due to staff vacancies. The Department has an 18 percent vacancy rate for special funded positions.
Other Surplus Accounts	3.73	-	Projected surpluses in several accounts are based on year-to-date expenditure trends.
Special Funds Total	**$ 30.55**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 127.29	$117.54	$ 9.75	Projected revenue shortfall is due to reduced related cost reimbursements associated with special fund vacancies.

Repair and Demolition Fund
The Repair and Demolition Fund (Fund) partially funds the Department's Salaries General Account in the amount of $309,201. Persistent delays in property owner reimbursements have impacted the Fund's cashflow for the last several years. There are two outstanding loans, one from the Reserve Fund ($404,657) and one from the Building and Safety Building Permit Enterprise Fund ($857,000), to address the cashflow issues and urgent abatement and demolition needs. As of September 1,

2026, the Fund revenues are $186,522 and the Department anticipates $785,478 in additional revenues for a total year-end revenue of $972,000.

Based on revenues to date and $1,484,293 in pending work orders, this Office projects overspending of approximately $0.51 million. In light of the projected deficit, the Fund will be unable to repay the pending loans in the current fiscal year. This Office will closely monitor this Fund and provide updates in future FSRs.

Comprehensive Code Enforcement Study
In the 2025-26 Year-End FSR (C.F. 25-0600-S138), the Department received authority to transfer $457,000 from the Department's Salaries General Account to the Contractual Services Account for a comprehensive study on the Department's code enforcement operations. The Department is requesting authority to re-appropriate the remaining balance of $446,687 from 2025-26 to complete the remaining work.

This Office recommends the following transaction at this time:

- Authorize the Controller to disencumber up to $446,687 from the 2025-26 encumbered balances within the Building and Safety Fund No. 100/08, Contractual Services Account, revert the disencumbered amount to the Reserve Fund No 101/62, subsequently transfer the amount to the Unappropriated Balance No. 100/58, and appropriate therefrom to the Building and Safety Fund 100/08, Contractual Services Account to complete the Comprehensive Code Enforcement Study.

C. Cannabis Regulation
No Recommendation

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.48	$ -	Projected surplus is due to staff vacancies and current hiring plan.
Other Surplus Accounts	0.02	-	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Special Funds Total	**$ 0.50**	**$ -**	

(Cannabis narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 4.34	$ 4.34	$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

California Local Jurisdiction Assistance Grant

As previously reported in the 2024-25 and 2025-26 FSRs, in December 2021, the State of California Department of Cannabis Control (DCC) awarded the Department approximately $22 million through the California Local Jurisdiction Assistance Grant (LJAG), with a performance period from January 2022 through June 2025. The Department requested to amend the LJAG agreement in April 2023 to expedite the use of grant funds. During discussion of the requested amendment, the DCC informed the Department that the majority of the originally intended uses of grant funds were no longer allowable, triggering a potential General Fund liability of up to $10 million. Following significant negotiation and collaboration between the Department and the State, in July 2026, the State completed its review of the Department's expenditures, ultimately approving all submitted expenditures and only requesting the return of unspent funds in the amount of $443,919.92. These funds were available within the Department's accounts, and payment was remitted to the State in August 2026. This matter is now closed with no impact to the General Fund, and will no longer be reported on in future FSRs.

This Office does not recommend any transactions at this time.

D. City Administrative Officer
Recommendation Nos. 6, 7, 8, and 9
Attachment 3 – New Appropriations
Attachment 6 – Appropriations from the Unappropriated Balance

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 14.61	$ 14.91	$ 0.30	Projected revenue surplus is due to reimbursements from the Department of Water and Power for an agreement for disaster assistance support associated with the Palisades Fire.

On October 9, 2026, the California Governor's Office of Emergency Services (Cal OES), was notified by the Federal Emergency Management Agency (FEMA) that a total of $5,388,164.51 in

the City's reported expenditures relative to the COVID-19 vaccination project could not be substantiated. Therefore, the City must remit this amount back to CalOES by November 30, 2026. As the award from FEMA was originally deposited in the Disaster Assistance Trust Fund (DATF) then transferred to the General Fund as revenue, this obligation must be paid by the City's General Fund.

This Office identified available funding within the Disaster Assistance Trust Fund to front-fund and expedite this payment to CalOES by the November 30th deadline. We will continue to monitor General Fund revenues and expenditures to reimburse the DATF from the General Fund through the Year End FSR.

The Office of the City Administrative Officer projects completing the year within budget.

This Office recommends the following transaction at this time:

- Authorize the Controller to disencumber $212,571.50 in Fiscal Year 2025-26 encumbered balance for IEM International Inc. (Vendor Code VC0000004509, SC 10 CO26200961M) within City Administrative Officer Fund No. 100/10, Account No. 003040, Contractual Services, process an early reversion in the same amount to the Reserve Fund No. 101/62, transfer therefrom to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the City Administrative Officer Fund No. 100/10, Account No. 003040, Contractual Services to be encumbered on a new contract with IEM to continue their financial recovery efforts and services (C-204631).

- Authorize the Controller to disencumber $39,447.81 in prior year encumbrances within the Insurance and Bonds Premiums Special Fund No. 46S/10, process an early reversion in the same amount to the Reserve Fund No. 101/62, transfer therefrom to the Unappropriated Balance Fund No. 100/58, and appropriate therefrom to the Insurance and Bonds Premiums Special Fund No. 46S/10, Account No. 100230 to be encumbered for the procurement of insurance.

- Authorize the payment of $5,388,164.51 to CalOES from the Disaster Assistance Trust Fund for an overpayment of funds related to COVID FEMA Public Assistance funds. The General Fund will reimburse this amount to the Disaster Assistance Trust Fund by the Year End FSR.

- Reappropriate $350,000 from the Reserve Fund No. 101/62 through the Unappropriated Balance Fund No. 100/58 and appropriate therefrom to the City Administrative Officer Fund No. 100/10, Account No. 003040, Contractual Services Account to fund 2025-26 costs related to performance oversight and operational problem-solving efforts in homelessness response (C.F. 26-0484, C-204582).

- Appropriate $304,039.50 from the City Administrative Officer’s Fund No. 100/10, Revenue Source Code No. 4596, Service to Water and Power to the City Administrative Officer’s Fund

No. 100/10, Account No. 003040, Contractual Services for an agreement for disaster assistance support associated with the Palisades Fire.

- Appropriate $1,202,719.39 from the Insurance Premiums Special Fund 46S/10, Revenue Source Code No. 5301, Reimbursement From Other Funds ($9,720.59), Revenue Source Code No. 4595, Service to Airports ($1,046,964.80), and Revenue Source Code No. 5188, Miscellaneous Revenue-Others ($146,034.00) to the Insurance Premiums Special Fund 46S/10, Account No. 100230, Insurance and Bonds Premiums for insurance reimbursements.

- Transfer $223,783 from the Unappropriated Balance, Department Payroll Reconciliation Account to the City Administrative Officer's Fund No. 100/10, Account No. 003040, Contractual Services Account to fund a Workday implementation tenant for development testing, implementation activities, and system changes coordination across multiple City departments ($117,600) and to execute a contract for third-party classification and compensation benchmarking services ($106,183).

E. City Attorney
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds
Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.29	$ (0.27)	Projected surplus is based on current vacancies and anticipated attrition.
Overspending (Shown as Negative, in millions)			
Overtime General	(0.57)	0.27	Projected overspending is based on prior-year expenditures and operational needs through year end.
Litigation	(12.14)	-	Projected overspending is based on year-to-date expenditure trends and the City Attorney's stated costs for litigation services through year end.
Outside Counsel	(21.33)	5.92	Projected overspending is based on the City Attorney's stated costs for outside counsel services through year end and prior-year expenditure trends.
General Fund Total	**$(33.75)**	**$ 5.92**	

(City Attorney narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 45.96	$ 47.31	$ 1.35	Projected revenue surplus is due to increased one-time revenue deposits in the Damages and Settlements Account.

This Office recommends a transfer from the Salaries General Account to the Overtime General Account to partially address projected overspending. This Office also recommends a transfer from the Unappropriated Balance to partially offset the projected Outside Counsel overspending. This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address the projected overspending.

Litigation

The City Attorney projects $21.1 million in Litigation expenses through year end, which results in $12.14 million in overspending. The City Attorney states that this overspending is driven by increases in complex cases and costs to provide litigation services over the last several years. As of September 2026, the Litigation Account budget is $8.95 million, comprised of $1.49 million in expenditures and $0.69 million in encumbrances.

Outside Counsel

The City Attorney did not provide a year-end projection for Outside Counsel expenditures. The City Attorney projects $18.0 million in Outside Counsel costs through December 2026. Based on last year's expenditures, the Office projects year-end overspending of $21.33 million. As of the writing of this report, $0.68 million has been transferred to this account from the Unappropriated Balance ($0.66 million) related to the following matters: *Kristen Crowley v. City of Los Angeles* (C.F. 26-0625); and *Oceans 11 RV Park, LLC v. City of Los Angeles et al.* (C.F. 24-1168); and from the Los Angeles Police Department in the amount of $15,000. The City Attorney states that this overspending is driven by an increase in complex litigation and is beyond its current capacity to litigate. As of September 2026, no funds have been spent from this account.

This Office recommends the following transactions at this time:

- Transfer $273,261 from the Department's Salaries General Account to the Department's Overtime General Account to partially address projected overspending.

- Appropriate $85,499.57 from the Proposition HHH Bond Proceeds to the Department Revenue Source 5301 – Reimbursement from Other Funds ($59,095.64) and Revenue Source 5361 – Related Costs Reimbursement – Others ($26,403.93) accounts to reimburse the General Fund for eligible salary expenditures and related costs related to the Proposition HHH Program.

- Transfer $5,922,000 from the Unappropriated Balance, Outside Counsel including Workers' Compensation Account to the Outside Counsel Account to partially address projected overspending.

F. City Clerk
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Overspending (Shown as Negative, in millions)			
Salaries General	$ (0.23)	$ -	Projected overspending is due to unbudgeted retirement payouts and current hiring plan.
Contractual Services	(0.02)	-	Projected overspending is due to unbudgeted Citywide software for ADA compliance.
Elections	(19.17)	-	Projected overspending is due to elections related invoices.
General Fund Total	**$(19.42)**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 0.10	$ 0.10	$ 0.002	This Office projects the Department will slightly exceed its General Fund revenue budget due to receipts from Recreation and Parks and Parks for its portion of the Citywide ADA compliance software costs.

The projected Elections Account overspending is due to costs related to the June 2, 2026 Primary Election and the upcoming November 3, 2026 General Election. There is $19.17 million set aside in the 2026-27 Unappropriated Balance, Election Expenses Account consisting of $8.17 million that was reappropriated as part of the 2025-26 Year-End Financial Status Report and $11.00 million included in the 2026-27 Adopted Budget. The Department will request a transfer of funds from the Unappropriated Balances to address the projected overspending once the invoices for the respective elections are received. The projected Contractual Services overspending is due to unbudgeted Citywide software for Americans with Disabilities Act (ADA) compliance. The

Department anticipates funding from Recreation and Parks to address the Contractual Services overspending.

This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address any projected overspending.

G. City Planning
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.07	$ -	Projected surplus is due to staff vacancies. The current department vacancy rate is approximately 14 percent.
General Fund Total	**$ 0.07**	**$ -**	

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 3.97	$ -	Projected surplus is due to staff vacancies. The current department vacancy rate is approximately 14 percent.
Special Funds Total	**$ 3.97**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 16.83	$ 16.15	$ (0.68)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies.

This Office does not recommend any transactions at this time.

Planning Case Processing Special Fund

This special fund is subsidized by the General Fund. It collects Planning and Land Use Fees and supports case processing work. The fees comprise of case processing fees related to development projects, expedited processing services, and supplemental fee agreements. This Office projects a $4.94 million year end revenue shortfall for this fund based on revenues through August 2026 and assume continued lower than planned revenues through June 2027. The projected revenue shortfall may result in the non-payment of $0.23 million related cost reimbursements to the General Fund. In the Fiscal Year 2025-26 Year End FSR, the Department received a $1.5 million Reserve Fund loan to provide sufficient cash flow for the Planning Case Processing Fund through the end of the fiscal year (C.F. 25-0600-S138). The Department required $1.3 million of the $1.5 million loan and has implemented cost saving measures to reduce the expenditures to this Fund. This Office recommends that the Department identify additional savings to reduce or eliminate the General Fund impact and to repay the Reserve Fund loan. Additionally, this Office recommends the City Council consider an increase to the non-applicant appeal fee (C.F. 09-0969-S4). This Office will continue to monitor the special fund revenue and report on the status in future FSRs.

H. City Tourism
Attachment 3 – New Appropriations

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.17	$ -	Projected surplus is due to staff vacancies.
Special Funds Total	**$ 0.17**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 0.98	$ 1.27	$ 0.29	Projected revenue surplus is due to increased related costs reimbursements based on revised calculations using Cost Allocation Plan (CAP) 48 rates.

This Office recommends the following transaction at this time:

- Appropriate $698,726 from the Los Angeles Convention and Visitors Bureau Trust Fund to the Los Angeles Convention Visitors Bureau, and authorize the City Administrative Officer to pay LATCB's final 2025-26 invoice from these funds.

I. Civil, Human Rights, and Equity
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Overspending (Shown as Negative, in millions)			
Salaries General	$ (0.10)	-	Projected overspending is due to unbudgeted sick and personal leave payouts and Department's current hiring plan.
Salaries, As-Needed	(0.03)	-	Projected overspending is based on year-to-date expenditure trends and projected operational needs through year end.
General Fund Total	**$ (0.13)**	**$ -**	

This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address any projected overspending.

L.A. REPAIR Program
The Department has executed 20 contracts with all grantees and expended $4.8 million out of $8.5 million to date. Grantee programming is anticipated to sunset by October 2027.

This Department does not have a General Fund revenue budget. This Office does not recommend any transactions at this time.

J. Community Investment
Recommendation No. 10, 11, 12, 13, 14, 15, 16, and 17
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Contractual Services	$ 0.27	$ 0.30	Projected surplus is due to the stipends for the Older Workers Employment Program being paid directly to participants rather than through a contract.
Overspending (Shown as Negative, in millions)			
Salaries General	(0.17)	-	Projected overspending is due to unbudgeted sick leave payouts and retroactive payments.
Salaries, As-Needed	(0.05)	0.05	Projected overspending is due to the unbudgeted expenditures for the Department's transition to the new office space and other ongoing consolidation efforts.
Overtime General	(0.01)	-	Projected overspending is due to the Lineage Fire response.
Office and Administrative	(0.10)	0.10	Projected overspending is due to ongoing consolidation efforts.
General Fund Total	**$ (0.06)**	**$ 0.45**	

(Community Investment narrative continued on the next page)

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Overspending (Shown as Negative, in millions)			
Salaries General	$ (0.70)	$ 0.09	Projected overspending is due to unbudgeted expenditures for various off-budget grants.
Overtime General	(0.02)	-	Projected overspending is due to unbudgeted expenditures for the California Volunteers Youth Services Corps (YSC) grant and the Office of Traffic Safety (OTS) grants.
Contractual Services	(0.48)	0.48	Projected overspending is due to delayed 2025-26 invoices for the OpportunityLA grant and unbudgeted expenditures for temporary housing associated with the fireworks explosion on East 27th Street.
Office and Administrative	(0.04)	-	Projected overspending is due to unbudgeted expenditures for the California Volunteers YSC grant and the OTS grants.
Other overspending Accounts	(0.02)	-	Project overspending is due to unbudgeted expenditures for the California Volunteers YSC grant.
Special Funds Total	**$ (1.26)**	**$ 0.57**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 13.57	$ 13.21	$ (0.37)	Projected revenue shortfall is due to reduced reimbursements from the Survivor Services System beds not being reimbursable by the Los Angeles County.

This Office recommends adjustments to realign the budget appropriations with current expenditure trends and to transfer funding from the projected Contractual Services Account surplus to address the overspending in the Salaries, As-Needed and Office and Administrative accounts. Additionally, this Office recommends the disencumbrance and reappropriation of prior-year Contractual Services funding to address the projected special fund overspending in the Contractual Services

Account due to delayed invoices for the OpportunityLA grant program and continuing temporary housing expenditures associated with the East 27th Street fireworks explosion. This Office anticipates that the approval of pending transmittals for the California Volunteers Youth Service Corps Cycle 4 Grant (C.F. 22-0014-S2) and the Office of Traffic Safety grants will further address $0.69 million in special fund overspending in the Salaries General and other accounts.

Gang Injunction Curfew Settlement Program

In April 2017, the federal court approved the Gang Injunction Curfew Settlement Agreement (C.F. 16-0081), which obligated the City, through the Economic and Workforce Development Department (EWDD), to provide a variety of work readiness and employment services over four years to help prepare members of the impacted plaintiff class or their qualifying designees to enter the workforce. The number of potentially qualifying participants is approximately 6,000. The Settlement Agreement required the City to expend a minimum of $1.125 million to a maximum of $7.5 million each year for four years to provide jobs, education, and tattoo removal services. The EWDD reimbursed contractual expenses under this program following the receipt and processing of invoices on a rolling basis. This program was transferred to the Department on July 1, 2026 when the EWDD was consolidated into the Department.

The judge in the case issued a tentative ruling requiring an audit and review of the program prior to issuing a final ruling in the matter. The forensic audit report is anticipated to be finalized in October 2026 and reviewed by the judge by November 2026, at which time the final ruling will be issued. As such, the Department reports that expenditures are continuing into Fiscal Year 2026-27. Given the necessary extension of certain program expenses due to the ongoing court audit, the 2026-27 Adopted Budget (C.F. 26-0600) included $1.125 million in the Unappropriated Balance (UB) for this purpose with an instruction to the Department to report through the FSR or other means if funding is needed to support expenditures in the current year. This Office will assess the funding needs once the final ruling has been issued and will report in a future FSR.

This Office recommends the following transactions at this time:

- Authorize the Controller to disencumber, revert, and reappropriate up to $244,930 from Fiscal Year 2025-26 in the Department's Contractual Services Account funded by the City of Los Angeles Affordable Housing Trust Fund to the current fiscal year to continue to pay for temporary housing costs associated with the fireworks explosion on East 27th Street.

- Authorize the Controller to disencumber revert, and reappropriate up to $449,177.29 from Fiscal Year 2025-26 in the Department's Contractual Services Account to the current fiscal year to continue to pay for temporary housing costs associated with the fireworks explosion on East 27th Street.

- Authorize the Controller to disencumber, revert, and reappropriate up to $235,812.38 from Fiscal Year 2025-26 in the Department's Contractual Services Account to the current fiscal year to pay for delayed 2025-26 invoices for outreach services for the City's OpportunityLA Program and the California Kids Investment and Development Savings Program.

- Rescind a transaction in Recommendation No. 44a, Attachment 10, of the 2025-26 Fourth Financial Status Report (C.F. 25-0600-S138), to reappropriate $464,068.50 from the Community Investment for Families Department Fund No. 100/21, Account No. 003040, Contractual Services for the 27th Street Temporary Housing line item because the funds were encumbered by year end.

- Rescind a transaction in Recommendation No. 44b, Attachment 11, of the 2025-26 Fourth Financial Status Report (C.F. 25-0600-S138), to reappropriate $499,224.73 from the CIFD Miscellaneous Grants and Awards Fund No. 65G/21, Account No. 003040, Contractual Services for the OpportunityLA Program line item because the funds were encumbered by year end.

- Rescind a transaction in Recommendation No. 44b, Attachment 11, of the 2025-26 Fourth Financial Status Report (C.F. 25-0600-S138), to reappropriate $463,500 from the House LA Fund No. 66M/43, Account No. 003040, Contractual Services for the United to House LA Income Support Program line item because the funds were encumbered by year end.

- Reduce appropriation in the amount of $11,849.50 within the Health Insurance Counseling and Advocacy Medicare Improvement Fund, Aging Account to align with available Medicare Improvement for Patients and Providers Act grant funding.

- Reduce appropriation in the amount of $134,377 within the Supplemental Nutrition Assistance Program Education Fund, Aging Account to align with available grant funding.

- Transfer $150,000 from the Department's Contractual Services Account to the Salaries, As-Needed ($50,000) and the Office and Administrative ($100,000) accounts to support strategic planning and ongoing consolidation efforts.

- Reappropriate up to $90,146.96 from the 2024-25 ($30,241.94) and 2025-26 ($59,905.02) unencumbered balances within the Funds for Other Aging Grants and Miscellaneous Programs Fund, Aging Account to the Department's Salaries General Account to continue the Modernizing the Older Californians Act Nutrition Services grant activities.

K. Controller
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 1.06	$ -	Projected surplus is due to staff vacancies.
Salaries As-Needed	0.03	-	Projected surplus is due to anticipated reimbursements to the Accounting Assistance Program from other departments
Other Surplus Accounts	0.26	-	Projected surpluses in various expense accounts are based on year-to-date and prior-year expenditure trends, and projected operational needs through year end.
General Fund Total	**$ 1.35**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 4.82	$ 4.75	$ (0.03)	Projected revenue shortfall is due to reduced workload and reimbursement from the Workforce Investment Opportunities Act Fund.

This Office does not recommend any transactions at this time.

L. Council
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds
Attachment 6 – Appropriations from the Unappropriated Balance

This Office recommends the following transactions at this time:

- Transfer $1,075,000 from the Council's Salaries General Account to the Travel ($75,000), Contractual Services ($100,000), and Office and Administrative ($900,000) accounts to align the budget with current expenditure patterns.

- Transfer $2,660,000 from the State AB 1290 City Fund, Council District 9 Redevelopment Fund to the Council's Salaries, As-Needed Account to support Council District 9 staffing costs.

- Transfer $250,000 from the State AB 1290 City Fund, Council District 10 Redevelopment Fund to the Council's Salaries, As-Needed Account to support Council District 10 staffing costs.

- Transfer $108,611 from the Council District 4 portion of the General City Purposes Fund, Council Projects Account to the Police Department's Overtime Sworn Account for additional deployment in the Lake Hollywood and Doheny/Sunset Plazas areas for Council District 4.

- Transfer $2,889,568 from the Unappropriated Balance - Equipment, Expenses, Alterations and Improvements Account to Council's Salaries, As-Needed Account to support staffing costs.

M. Cultural Affairs
Attachment 3 – New Appropriations
Attachment 5 – Transfers between Departments and Funds

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Overspending (Shown as Negative, in millions)			
Salaries General	(0.41)	-	Projected overspending is due to unbudgeted sick and personal leave payouts and Department's current hiring plan.
Contractual Services	(0.02)	-	Projected overspending is due to unbudgeted elevator maintenance costs associated with newly opened and upcoming facility openings.
Special Events III	(1.05)	1.05	Projected overspending is due to unbudgeted expenditures from the prior fiscal year for previously approved projects.
Special Funds Total	**$ (1.48)**	**$ 1.05**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 6.07	$ 6.07	$ -	This Office projects that the Department will meet its General Fund revenue budget by year end.

This Office recommends an appropriation from the cash balance of the Arts and Cultural Facilities and Services Trust Fund to address the overspending in the Special Events III Account, which is projected to have overspending in the amount of $1.05 million. The majority of the projected overspending ($1.03 million) is due to expenditures that were unable to be made in 2025-26 due to delays in contract execution. Appropriations for these expenses were provided in 2025-26, but reverted to the Arts and Cultural Facilities Services Trust Fund's Cash Balance at the close of the prior fiscal year, as the funds could not be encumbered. The remaining projected overspending ($0.02 million) is due to the Department's LA28 Cultural Program (C.F. 15-0989-S41).

This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address any projected overspending.

This Office recommends the following transactions at this time:

- Appropriate $303,775 from the available cash balance of the Arts and Cultural Facilities and Services Trust Fund in support of youth and creative murals projects

- Transfer $747,369 from the available cash balance of the Arts and Cultural Facilities and Services Trust Fund to the LA Cultural Tourism and Promotion ($17,369), LACMA/Watts Towers Conservation ($450,000), and Sony Pictures Media Art Program ($280,000) accounts within the Special Events III Account to ensure funds are available for active and proposed projects.

N. Disability
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.26	$ -	Projected surplus is due to delays in hiring.
Contractual Services	0.03	-	Projected surplus is based on prior-year expenditure trends and projected operational needs through year-end.
Other Surplus Accounts	0.01	-	Projected surplus is based on prior-year expenditure trends and projected operational needs through year-end.
Overspending (Shown as Negative, in millions)			
Overtime General	(0.01)	-	Projected overspending is based on prior-year expenditure trends and projected operational needs through year-end.
General Fund Total	**$ 0.29**	**$ -**	

(Disability narrative continued on the next page)

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.05	$ -	Projected surplus is due to hiring delays associated with Opioids Settlement Trust Fund-related staffing.
Special Funds Total	**$ 0.05**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 0.02	$ 0.19	$ 0.17	Projected revenue surplus is due to related costs reimbursements associated with Opioids Settlement Trust Fund staffing.

This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address any projected overspending.

This Office does not recommend any transactions at this time.

O. El Pueblo
No Recommendation

Special Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.10	$ -	Projected surplus is due to delays in hiring special event and custodial staff.
Office and Administrative	0.04	-	Projected surplus is due to prior-year and year-to-date expenditure trends.
Water and Electricity	0.02	-	Projected surplus is due to prior-year and year-to-date expenditure trends.
Other Surplus Accounts	0.01	-	Projected surplus is due to prior-year and year-to-date expenditure trends.
Overspending (Shown as Negative, in millions)			
Salaries As-Needed	(0.10)	-	Projected overspending is due to increased usage of Project Assistants.
Contractual Services	(0.06)	-	Projected overspending is due to usage of contractual custodial services, pending hiring of custodial crew for the Department.
Special Funds Total	**$ 0.01**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 5.92	$ 4.74	$ (1.18)	Projected revenue shortfall is due to lower than anticipated receipts for facility use fees, parking fees, and rental fees and tenant rent withholdings.

(El Pueblo narrative continued on the next page)

El Pueblo de Los Angeles Historical Monument Revenue Fund

The projected revenue shortfall for the El Pueblo de Los Angeles Historical Monument Revenue Fund (Fund) is approximately $1.18 million. The projected revenue is less than the Adopted Budget due to low July and August receipts in facilities use fees, rental fees, and parking fees, compounded by tenant rent withholdings and increased revenue targets. Although the Fund began the fiscal year with a higher than anticipated starting cash balance, due to the reversion of the El Pueblo's Master Plan funding, the Council reprogrammed these funds for facility upgrades to be identified at a later date (C.F. 24-0086). Consequently, these funds are not currently available to offset the year-end revenue shortfall or department overspending. Should the projected $1.18 million revenue shortfall materialize, the following actions may be necessary to maintain the fund's solvency as there will be insufficient cash to back existing appropriations: reducing appropriations to the Department's operating budget, reducing or eliminating the Department's related costs reimbursement to the General Fund, eliminating or delaying planned facility upgrades, or appropriating a supplemental General Fund subsidy to the special fund. This Office will monitor and work with the Department to address projected overspending and shortfalls in future Financial Status Reports.

This Office does not recommend any transactions at this time.

P. Emergency Management
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Overspending (Shown as Negative, in millions)			
Salaries, General	$ (0.16)	$ -	Projected overspending is due to unbudgeted salary bonuses and payouts.
General Fund Total	**$ (0.16)**	**$ -**	

(Emergency Management narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 0.14	$ 0.14	$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address any projected overspending.

This Office does not recommend any transactions at this time.

Q. Employee Relations Board
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed 1st FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.02	$ -	Projected surplus is due to salary savings from new staff starting at a lower salary step than attritting employees.
Overspending (Shown as Negative, in millions)			
Contractual Services	(0.05)	-	Projected overspending is due to a higher volume of unfair hearing cases.
General Fund Total	**$ (0.03)**	**$ -**	

This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address any projected overspending.

This Department does not have a General Fund revenue budget. This Office does not recommend any transactions at this time.

R. Ethics
No Recommendation

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.03	$ -	Projected surplus is due to staff vacancies.
Salaries, As-Needed	0.04	-	Projected surplus is based on prior-year exenditure trends and projected operational needs through year end.
Contractual Services	0.25	-	Projected surplus is based on lower than anticipated expenses for special prosecutor services and prior-year expenditure trends.
Special Funds Total	**$ 0.32**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 1.27	$ 1.27	$ -	This Office projects that the department will meet its General Fund Revenue budget by year end.

This Office does not recommend any transactions at this time.

S. Finance
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.40	$ (0.15)	Projected surplus is due to staff vacancies.
Printing and Binding	0.26		Projected surpluses are based on prior-year expenditure trends.
Transportation	0.15		
Office and Administrative	0.18		
Overspending (Shown as Negative, in millions)			
Overtime General	(0.60)	0.15	Projected overspending is due to Rollout Phase 1 for the LATAX Transformation Project and required support operations during the annual business tax renewal season.
General Fund Total	**$ 0. 39**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 13.70	$ 13.70	$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office recommends a transfer from the projected surplus in the Salaries General Account to the Overtime General Account to partially address the projected overspending due to anticipated overtime associated with the LATAX Transformation Project implementation and business tax renewal season. This Office will continue to work with the Department to monitor its expenditures and report in a future FSR with recommendations necessary to address the remaining overspending.

This Office recommends the following transaction at this time:

- Transfer $154,000 from the Department's Salaries General Account to the Overtime General Account to address the anticipated overtime needs for the Rollout Phase 1 for the LATAX Transformation Project and business tax renewal season.

T. Fire
Recommendation No. 18
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Department and Funds
Attachment 6 – Appropriations from the Unappropriated Balance

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.34	$ (2.54)	Projected surplus is due to staff vacancies.
Overtime Variable Staffing	1.09	-	Projected surpluses are based on prior-year and year-to-date expenditure trends.
Rescue Supplies and Expense	0.47	-	
Other Surplus Accounts	0.81	-	
Overspending (Shown as Negative, in millions)			
Salaries Sworn	(49.09)	(15.83)	Projected overspending is due to a transfer of funds to the Overtime Constant Staffing Account in the Adopted Budget, the addition of 20 additional recruits in the next Fire Academy class, unbudgeted payouts for retirees, retroactive pay, and shift in Departmental operations.
Salaries, As-Needed	(0.98)	0.26	Projected overspending is due to increased hiring of as-needed employees to meet workload demand.
Overtime Sworn	(6.79)	-	Projected overspending is due to increased use of recalls to maintain staffing at Fire Stations, and fire safety watches.
Contractual Services	(48.77)	14.99	Projected overspending is due to outstanding ambulance billing service invoices, participation in the Public Provider Ground Emergency Medical Transport (PP-GEMT) and County Intergovernmental Transfer (IGT) programs, and turnout gear maintenance costs.

(Fire narrative continued on the next page)

Office and Administrative	(1.83)	1.83	Projected overspending is due to unbudgeted United Firefighters of Los Angeles City (UFLAC) Wellness Program reimbursements and the Certified Unified Program Agency (CUPA) data management software procurement.
Overtime Constant Staffing	(30.71)	-	Projected overspending is due to a shift in Departmental operations by eliminating early relief and retaining firefighters on duty until they are relieved.
Overtime General	(3.13)	2.00	Projected overspending is based on year-to-date expenditure trends.
Operating Supplies	(2.29)	-	
General Fund Total	**$(140.88)**	**$ 0.71**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 389.96	$389.96	$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

The Department is projected to have significant overspending in its General Fund accounts, mainly driven by overspending in the Salaries Sworn, Overtime Constant Staffing, and Contractual Services accounts. The projected overspending in the Contractual Services Account is driven by ambulance billing service invoices and participation in the PP-GEMT and County IGT programs. It is anticipated that $36.72 million in overspending can be addressed in future reports and FSRs by using the remaining funding in the Unappropriated Balance, Ground Emergency Medical Transport QAF Program Account ($25.32 million) and IGT Fund ($11.40 million), reducing the net projected General Fund overspending amount to $104.16 million. The remaining projected overspending is primarily driven by overspending in the Salaries Sworn and Overtime Constant Staffing accounts. The projected overspending in these accounts is due to the addition of 20 additional recruits in the November class, unbudgeted salary payouts, and change in deployment and operations. The department has altered its deployment policies such as implementing a hard duty relief time at 0600 hours instead of a flexible relief time between 0630 hours and 0800 hours and no longer closing emergency services on a temporary basis, but rather retaining firefighters on duty until they are relieved. These shifts in operational policies are increasing departmental expenditures and this Office recommends that the Department report to Council explaining why the department has changed its deployment policies, a detailed breakdown of the exact deployment changes, and the projected costs associated with each change. As reference, the Department reported projected overspending in prior years as follows: $87.60 million in the 2025-26 First FSR; $32.40 million in the 2024-25 First FSR; and $34.60 million in the 2023-24 First FSR.

This Office recommends transfers from the Salaries General and Salaries Sworn accounts to partially address the projected overspending in the Salaries, As-Needed, Overtime General, Contractual Services, and Office and Administrative accounts. This Office also recommends a transfer from the Unappropriated Balance, Ground Emergency Medical Transport QAF Program Account to partially address the projected overspending in the Contractual Services Account.

This Office will continue to work with the Department to monitor its expenditures and report in a future FSR with recommendations necessary to address the projected overspending.

Public Provider – Ground Emergency Medical Transport Intergovernmental Transfer Program
Effective January 1, 2023, the Department of Health Care Services (DHCS) implemented the Public Provider Ground Emergency Medical Transport (PP-GEMT) Intergovernmental Transfer (IGT) Program, which provides increased reimbursements generated by an add-on increase to emergency medical transports provided by eligible non-contracted public GEMT providers. The PP-GEMT Program requires the City to make payments to the DHCS to participate. The total cost to participate during the 2026 calendar year is $51.89 million, of which the Department has paid $38.91 million. On September 21, 2026, the Department received the last quarterly invoice for calendar year 2026, totaling $12,978,581. The Department paid this invoice on October 15, 2026.

Los Angeles County Medi-Cal Intergovernmental Transfer Program
The Department participates in the Los Angeles County Medi-Cal Intergovernmental Transfer Program (Medi-Cal IGT), which Los Angeles County created in January 2023 after DHCS implemented the PP-GEMT IGT Program. The Medi-Cal IGT program allows a public entity providing health care services to Medi-Cal managed care beneficiaries to transfer funds to DHCS in order to support the Medi-Cal program. DHCS uses these funds to obtain increased matching funds from the federal Center for Medicare and Medicaid Services to support Medi-Cal health care services provided by participating agencies. The Department pays an annual invoice from DHCS to participate in the Medi-Cal IGT program. The Department anticipates receiving the 2026-27 participation invoice within a month, and is preparing a draft motion to request a transfer of funds from the Salaries Sworn Account to its Contractual Services Account to meet this expense.

This Office recommends the following transactions at this time:

- Instruct the Fire Department to report within 30 days to the City Council via a separate transmittal, with details of the deployment changes implemented by the department and the projected costs associated with each change. This report shall include a projection of the Salaries Sworn and Overtime Constant Staffing expenditures for the current year and how it compares to expenditures in prior years.

- Transfer $264,000 from the Fire Department's Salaries General Account to the Salaries, As-Needed Account to address the increased hiring of as-needed employees to meet workload demand.

- Transfer $2,000,000 from the Fire Department's Salaries General Account to the Overtime General Account to meet the workload needs for public safety inspections and fleet maintenance.

- Transfer $280,000 from the Fire Department's Salaries General Account to the to the Contractual Services Account to fund the Medical Director consulting services contract.

- Transfer $14,000,000 from the Fire Department's Salaries Sworn Account to the Contractual Services Account for the payment of outstanding and anticipated invoices from the Department's ambulance billing services provider.

- Transfer $1,075,095 from the Fire Department's Salaries Sworn Account to the Office and Administrative Account to pay for the CUPA data management system replacement.

- Transfer $750,000 from the Fire Department's Salaries Sworn Account to the Office and Administrative Account to pay for the UFLAC Wellness Program reimbursements for 2026-27.

- Transfer $714,033.21 from the Unappropriated Balance, Ground Emergency Medical Transport QAF Program Account to the Fire Department's Contractual Services Account for the payment of the PP-GEMT administrative cost invoices for Fiscal Year 2023-24 and 2024-25.

- Transfer up to $89,770 from the Unified Program Trust Fund, CUPA AEO Penalties Account to the General Services Department's Hiring Hall Construction ($49,034), Benefits Hiring Hall Construction ($32,690), and Construction Materials ($8,046) accounts for the renovation of the Mike Reddy Room on the 17th floor of City Hall East.

- Transfer up to $375,000 from the Development Services Trust Fund, Fire Department Account to the Fire Department's Contractual Services Account for the BuildLA IT Project (C.F. 21-0643).

U. General Services
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Overspending (Shown as Negative, in millions)			
Salaries General	$ (4.31)	$ -	Projected overspending is due to unbudgeted employee payouts.
Overtime General	(0.60)	0.03	Projected overspending is due to the increased use of staff overtime to maintain service levels in light of full-time vacancies.
Contractual Services	(0.77)	0.02	Projected overspending is based on year-to-date expenditure trends and increased costs associated with software licenses, building maintenance, parking services, and real estate services.
Field Equipment Expense	(0.50)	-	Projected overspending is due to higher maintenance costs associated with the City's aging fleet.
Utilities Expense Private Company	(3.50)	-	Projected overspending is based on increased commodity prices and prior-year seasonal usage trends.
General Fund Total	**$ (9.68)**	**$ 0.05**	

(General Services narrative continued on the next page)

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.92	$ -	Projected surplus is due to staff vacancies.
Overspending (Shown as Negative, in millions)			
Overtime General	$ (1.10)	$ -	Projected overspending is due to the increased use of staff overtime to maintain service levels in light of full-time vacancies.
Field Equipment Expense	(1.60)	-	Projected overspending is due to higher maintenance costs associated with the City's aging fleet.
Uniforms	(0.03)	-	Projected overspending is due to uniform purchases by the Solid Waste Resources Revenue Fund.
Special Funds Total	**$ (1.81)**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 73.93	$ 73.93	$ -	This Office projects that the department will meet its General Fund Revenue budget by year end.

This Office will continue to work with the Department to monitor its expenditures and report in future FSRs with recommendations necessary to address the projected overspending in the Salaries General, Overtime General, Contractual Services, Field Equipment Expense, Utilities Expense Private Company, and Uniforms accounts.

This Office does not recommend any transactions at this time.

V. Housing
Recommendation Nos. 19 and 20
Attachment 3 – New Appropriations
Attachment 5 – Transfers between Department and Funds

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Leasing	$ 0.10	$ -	Projected surplus is due to lower than anticipated leasing costs.
Contractual Services	0.20	-	Projected surplus is based on year-to-date and prior-year expenditure trends.
General Fund Total	**$ 0.30**	**$ -**	

Special Funds			
Account Name		**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 17.50	$ (0.50)	Projected surplus is due to staff vacancies.
Leasing	0.67	(0.01)	Projected surplus is due to lower than anticipated leasing costs.
Contractual Services	0.43	0.05	The surplus is due to anticipated delays in contractual services spending.
Overspending (Shown as Negative, in millions)			
Salaries, As-Needed	(0.25)	0.25	Projected overspending is due to higher than anticipated as needed staffing due to persistent vacancy rates in regular positions.
Transportation	(0.23)	-	Projected overspending is due to increasing fuel costs and prior-year expenditure trends in this account.
Office and Administrative	(0.33)	0.33	Projected overspending is due to unbudgeted software and license costs that are necessary to maintain program operations.
Special Funds Total	**$ 17.82**	**$ 0.12**	

(Housing narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget		**Variance from Budget**	**Projection Basis**
$ 71.68	$ 63.54	$ (8.14)	Revenue shortfall is due to reduced related costs reimbursements associated with special fund vacancies.

This Office recommends transfers from the projected special fund Salaries General surplus to address the projected overspending in the Salaries, As-Needed and Office and Administrative accounts. The projected overspending in the special fund Transportation Account will be addressed in a future FSR. This Office will continue to work with the Department to monitor its expenditures and report in future FSRs with recommendations necessary to address any overspending.

This Office recommends the following transactions at this time:

- Reduce appropriations in the amount of $1,115,236.84 within the Housing Department General Fund Program Fund, Homekey 2.0 Reserve Fund Loan Account to align the appropriation account amount with actual cash transfers received.

- Reduce appropriations totaling $4,161,805.28 across various accounts within the Affordable Housing Trust Fund to realign appropriations with available cash balance.

- Reduce appropriations totaling $29,190,206.01 across various accounts within the Municipal Housing Finance Fund to realign appropriations with available cash balance.

- Reduce appropriations totaling $925,278.54 across various accounts within the Low and Moderate Income Housing Fund to realign appropriations with available cash balance.

- Reduce appropriations totaling $494,595.98 across various accounts within the Small Grants and Awards Fund to realign appropriations with available cash balance.

- Reduce appropriations for a net total amount of $940,568,839 across various accounts within the House LA Fund to realign appropriations with available cash balance.

- Reduce appropriations totaling $75,085.48 across various accounts within the Housing Production Revolving Fund to realign appropriations with available cash balance.

- Reduce appropriations totaling $271,667.13 across various accounts within the Neighborhood Stabilization Program Fund to realign appropriations with available grant funding.

- Reduce appropriations totaling $35,0125.55 across various accounts within the ARRA-Neighborhood Stabilization Program 2 Fund to realign appropriations with available grant funding.

- Reduce appropriations totaling $92,107.30 across various accounts within the Neighborhood Stabilization Program 3-WRSA Fund to realign appropriations with available grant funding.

- Reduce appropriations totaling $163.076.82 across various accounts within the HUD Connections Grant Fund to realign appropriations with available grant funding.

- Reduce appropriations totaling $394,825 across various accounts within the Emergency Solutions Grant Fund to align appropriations with the approved grant allocations for the 52nd Program Year (2026-27) Consolidated Plan. Subsequently, reduce appropriations in the amount of $211,481 in various Departmental accounts.

- Appropriate $1,046,370 from the 2024 Proposition HHH Construction Fund to the Department's Reimbursement of Prior-Year Salary Revenue ($605,534) and the Reimbursement of Related Costs- Prior Year Revenue ($440,836) accounts to reimburse the General Fund for eligible salary expenses related to the Proposition HHH Program.

- Appropriate $129,807 from the available Cash Balance within the Housing Production Revolving Fund to the Housing Department's Office and Administrative Account for LCP Tracker for prevailing wage services.

- Transfer appropriations totaling $252,676 within the Small Grants and Awards Fund from the Housing Department and Reimbursement of General Fund Costs accounts to the Housing Department and Reimbursement of General Fund Costs accounts to support salary expenditures and related costs for the Regional Early Action Planning (REAP) 2.0 Program grant.

- Transfer $150,000 from the Salaries General Account ($1,081) within the Rent Stabilization Trust Fund, Salaries General Account ($107,019.31) within the Systematic Code Enforcement Fee Fund ($107,019.31), Reimbursement of General Fund Costs Account ($419) within the Rent Stabilization Trust Fund, and Reimbursement of General Fund Costs Account ($4,480.69) within the Systematic Code Enforcement Fee Fund to the Rent and Code Outreach Program Account ($1,500) within the Rent Stabilization Trust Fund and Rent and Code Outreach Program Account ($148,500) within the Systematic Code Enforcement Fee Fund.

- Transfer $253,945 from the Salaries General Account ($189,550.12) within various special funds and Reimbursement of General Fund Costs Account ($64,394,94) within various special funds to the Department's Salaries, As-Needed Account to fund as needed staff salaries to support full time staff.

- Transfer $194,115.00 from the Salaries General Account ($69,946.31) within the Rent Stabilization Trust Fund, Salaries General Account ($69,946.31) within the Just Cause Enforcement Fee Trust Fund, Reimbursement of General Fund Costs Account ($27,111.19) within the Rent Stabilization Trust Fund, and Reimbursement of General Fund Costs Account ($27,111.19) within the Just Cause Enforcement Fee Trust Fund to the Department's Office and Administrative Account ($97,057.50) within the Rent Stabilization Trust Fund and Office and Administrative Account ($97,057.50) within the Just Cause Enforcement Fee Trust Fund to fund scanning services for Rent Registry and Eviction Filing forms.

- Transfer $30,000 from the Los Angeles County Affordable Housing Solutions Agency Grant Fund, Technical Assistance - LACAHSA Account to the Department's Contractual Services ($20,000) and Office and Administrative ($10,000) accounts to pay for cloud services and software subscriptions related to the Los Angeles County Affordable Housing Solutions Agency Grant.

W. Information Technology Agency
Attachment 3 – New Appropriations

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries, As-Needed	$ 0.16	$ -	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Overspending (Shown as Negative, in millions)			
Salaries General	(0.30)	-	Projected overspending is due to unbudgeted employee payouts.
Overtime General	(0.43)	-	Projected overspending is due to the increased use of overtime to support departmental operations and requirements in light of staff reductions.
Hiring Hall Salaries	(0.01)	0.01	Projected overspending is due to pending Communication Services Request reimbursement.
Contractual Services	(1.74)	-	Projected overspending is due to unbudgeted software taxes resulting from California Senate Bill 122 and costs for annual hardware and software renewals for the Data Center and Enterprise Operations.
Communication Services	(0.02)	0.02	Projected overspending is due to pending Communication Services Request reimbursement.
General Fund Total	**$ (2.34)**	**$ 0.03**	

(Information Technology Agency narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 2.83	$ 2.83	$ -	This Office projects the Department will meet its General Fund revenue budget by year end.

This Office recommends to appropriate revenue from the Department's Reimbursement from Other Funds General Fund Revenue Account to address the projected overspending in the Communication Services and Hiring Hall Salaries accounts. The Library provided funding to the Department for a Communications Services Request related to the El Sereno Library Security System. This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address any projected overspending.

This Office recommends the following transactions at this time:

- Appropriate $24,527.88 from the Department's Reimbursement from Other Funds General Fund Revenue Account to its Communication Services ($15,077.88) and Hiring Hall Salaries accounts ($9,450.00) for a Communication Service Request for the El Sereno Library Security System.

X. Library
No Recommendation

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries, General	$ 0.28	$ -	Projected surplus is due to staff vacancies.
Contractual Services	5.23	-	Projected surplus is based on prior-year expenditures and anticipated construction needs through year-end.
Various Special	8.49	-	Projected surplus is based on year-to-date and prior-year expenditure trends.
Other Surplus Accounts	3.33	-	
Overspending (Shown as Negative, in millions)			
Salaries, As-Needed	(0.02)	-	Projected overspending is based on year-to-date expenditure trends.
Overtime General	(0.45)	-	Projected overspending is due to increased staff overtime in light of full-time vacancies.
Travel	(0.20)	-	Projected overspending is based on anticipated operational needs.
Transportation	(0.01)	-	
Special Funds Total	**$ 16.65**	**$ -**	

This Office anticipates that the projected overspending in the Salaries, As-Needed, Overtime General, Travel, and Transportation accounts will be addressed through future administrative transfers from accounts with projected surpluses. This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address any projected overspending.

The Department has no General Fund revenue budget. This Office does not recommend any transactions at this time.

Y. Mayor
Recommendation Nos. 21, 22, and 23
Attachment 3 – New Appropriations
Attachment 5 – Transfers between Departments and Funds
Attachment 6 – Appropriations from the Unappropriated Balance

The Mayor's Office requests the following transaction at this time:

- Disencumber, revert, and reappropriate up to $3,555,155.13 from prior years' encumbered balances within the Mayor's Contractual Services Account to the current fiscal year to support 2026-27 Gang Reduction and Youth Development service provider contracts.

- Reduce appropriations in the amount of $38,040.37 within the Fiscal Year 2020 Legislative Pre-Disaster Mitigation Fund No. 63R/46, Account No. 46E146, Mayor and the Mayor's Fund 100/46, Account No. 001010, Salaries General for grant closeout.

- Reduce appropriations in the amount of $169,937.20 from the Mayor's Fund No. 100/46, Account No. 001020, Grant Reimbursed Account and increase appropriations in the same amount to the Mayor's Fund No. 100/46, Account No. 001010, Salaries General Account to appropriately reflect grant-related staff costs.

- Establish new appropriation accounts and transfer $442,945 within the Fiscal Year 2022 Justice Assistance Grant Fund from the 2024-25 Related Costs ($144,818) and City Attorney Grant Allocation ($298,127) accounts to the current-year Related Costs ($144,818), Grant Management and Administration ($199,173) and Los Angeles Police Department Grant Allocation ($98,954) accounts to pay for grant-related activities and related costs

- Establish new appropriation accounts, appropriate, and transfer $591,909.74 within the Fiscal Year 2023 Urban Area Search Initiative Homeland Security Grant Fund from the 2025-26 Fire ($1,699.13), 2025-26 Police ($121,644.90), 2024-25 Reimbursement of General Fund Costs ($22,352.30) and the Mayor's Grant Reimbursed ($446,213.41) accounts to the 2024-25 Partner Jurisdiction ($24,264), 2024-25 Los Angeles Fire Department Grant Allocation ($151,699.13), 2024-25 Grant Management and Administration ($115,946.61), and 2024-25 Los Angeles/Long Beach Region ($300,000) accounts to pay for grant-related activities and related costs.

- Transfer $146,266.13 from the Mayor's Salaries, As-Needed Account to the City Administrative Officer's Salaries General Account to reimburse salary costs for one employee on loan to the Mayor's Office of Major Events.

- Transfer $175,811.18 within the Fiscal Year 2020 Securing the Cities Fund from the 2020-21 Grant Management and Administration ($12.11), 2021-22 Grant Management and

Administration ($1,140.07), 2022-23 Equipment ($56,000), and 2024-25 Equipment ($118,659) accounts to the 2020-21 Equipment ($12.11), 2021-22 Partner Jurisdiction ($1,140.07), 2022-23 Partner Jurisdiction ($56,000), 2024-25 Partner Jurisdiction ($118,659) accounts to pay for grant-related activities.

- Transfer $175,000 within the Fiscal Year 2020 Securing the Cities Fund from the 2024-25 Equipment Account to Police's Overtime Sworn Account to pay for grant-related activities.

- Transfer $50,000 within the Fiscal Year 2024 State Homeland Security Program Grant Fund, Fire Account to the Fire Department's Contractual Services ($43,972) and Operating Supplies ($6,028) accounts to pay for grant-related activities.

- Transfer $1,200,000 from the Unappropriated Balance, Office of Major Events Account to the Mayor's Salaries, As-Needed Account to pay for Office of Major Events staffing costs.

- Transfer $1,881,432 from the Unappropriated Balance, Equipment, Expenses, and Alternations and Improvements Account to the Mayor's Salaries General ($1,600,000), Travel ($46,000), Contractual Services ($100,000), Transportation ($5,432), Contingent Expense ($30,000), and Office and Administrative ($100,000) accounts to align the Mayor's operating budget with current expenditure patterns.

Z. Neighborhood Empowerment
No Recommendation

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Printing and Binding	$ 0.01	$ -	Projected surpluses are based on projected operational needs through year end.
Other Surplus Accounts	0.01	-	
Overspending (Shown as Negative, in millions)			
Salaries General	(0.49)	-	Projected overspending is due to the Department not meeting its nine percent salary savings and lower than anticipated attrition.
Contractual Services	(0.03)	-	Projected overspending is based on year-to-date expenditure trends and anticipated operational needs through year end.
Other Overspending Accounts	(0.01)	-	
Special Funds Total	**$ (0.51)**	**$ -**	

This Office anticipates that the special fund overspending will be reduced once the Department completes its reconciliation of the cash balance in the Neighborhood Empowerment Fund. The Department is also in the process of developing a plan to support Neighborhood Councils in order to comply with the Americans with Disabilities Act and determining the fiscal impact. This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address any projected overspending.

This Department does not have a General Fund revenue budget. This Office does not recommend any transactions at this time.

AA. Personnel
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.14	$ -	Projected surplus is due to staff vacancies, filling positions in-lieu with lower level classifications, and increased billing to special funds.
Printing and Binding	0.01	-	Projected surplus is based on current expenditure trends.
Medical Supplies	0.02	-	
Oral Board Expense	0.01	-	
Overspending (Shown as Negative, in millions)			
Overtime General	(0.03)	-	Projected overspending is due to unbudgeted overtime payouts.
General Fund Total	**$ 0.15**	**$ -**	

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Overspending (Shown as Negative, in millions)			
Salaries General	(0.19)	-	Projected overspending is due to increased billing to the City Employees Ridesharing Fund.
Special Funds Total	**$ (0.19)**	**$ -**	

(Personnel narrative continued on the next page)

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 24.63	$ 27.62	$ 2.99	Projected revenue surplus is due to revised projections for salary reimbursements from the Department of Water and Power.

This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address any projected overspending.

This Office does not recommend any transactions at this time.

BB. Police
Attachment 5 – Transfers Between Department and Funds

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries Sworn	$ 7.49	$ -	Projected surplus is due to lower-than-budgeted deployment count at the start of the fiscal year, higher-than-budgeted attrition, and fewer hires per class during the first five pay periods.
Salaries As-Needed	0.42	-	Projected surplus is due to prior-year expenditure trends and anticipated operational needs through year end.
Accumulated Overtime	1.48	-	
Printing & Binding	0.34	-	
Operating Supplies	0.44	-	
Institutional Supplies	0.09	-	
Overspending (Shown as Negative, in millions)			
Salaries General	$ (0.93)	-	Projected overspending is due to the Department's current hiring plan.
Overtime Sworn	(6.09)	1.85	Projected overspending is due to prior-year expenditure trends and anticipated operational needs through year end.
Contractual Services	(2.34)	-	Projected overspending is due to higher costs for prisoner custody, transportation, and release; contract security; Official Police Garage (OPG) vehicle evidence holds; regional crime lab processing; and Workday/Accenture payroll consulting services.
General Fund Total	**$ 0.90**	**$ 1.85**	

(Police narrative continued on the next page)

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Overspending (Shown as Negative, in millions)			
Contractual Services	$ (0.25)	$ -	Projected overspending is due to increased costs associated with the Living Wage Ordinance.
Special Funds Total	**$ (0.25)**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 204.37	$205.96	$ 1.59	Projected revenue surplus is primarily due to increase in cost reimbursements for services provided to the Los Angeles World Airports.

This Office recommends a transfer from the Street Services Transaction Fund and General City Purposes Fund to partially address the overspending in the Overtime Sworn Account. The transfer from the Street Services Transaction Fund is to reimburse the Department for special events and the transfer from the General City Purposes Fund is for additional deployment in the Lake Hollywood and Doheny/Sunset Plaza areas for Council District 4. We anticipate that the remaining projected overspending in the Salaries General, Overtime Sworn, and Contractual Services accounts will be resolved by transfers from the projected surplus accounts. This Office will continue to work with the Department and report in future FSRs with updated projects and transactions necessary to address any projected overspending.

Sworn Hiring

From June 27, 2026 through August 22, 2026, the Department hired two recruit classes for a total of 49 additional officers. The Department plans to hire 510 recruits this fiscal year. Officer attrition was 84 through August 22, 2026, versus the 74 assumed in the Adopted Budget. Hiring through August 22, 2026, is two percent lower than assumed in the Adopted Budget (49 actual hires versus 50 budgeted). As of August 22, 2026, there are 8,510 officers deployed Citywide, including 13 Municipal Officers.

This Office recommends the following transactions at this time:

- Transfer $43,870 from Fund N. 41Y, Standards and Training for Corrections Program Fund to the Department's Overtime General Account to cover backfill for Detention Officers Training.

- Reappropriate $30,000 from the Innovation Fund to the Department's Contractual Services Account for LAPD Booking Innovation Team Pilot Project (QTRAC - Queue Management System).

- Reappropriate up to $2,514,587.00 from the uncommitted balance remaining in various accounts within the Police Department Grant funds as follows:

Grant Program	AMOUNT
2021 Connect and Protect	$23,244.61
2022 BWC - Digital Evidence Management	$294,285.33
2022 BWC - Training	$10,361.92
2022 Prosecuting Cold Cases with DNA	$53,942.80
2023 Firearm Relinquishment	$445,025.71
2023 Project Safe Neighborhood	$120,347.78
2024 Abby Honold Grant	$200,325.70
2024 DNA Capacity Enhancement and Backlog Reduction	$494,679.57
2024 ICAC OJJDP	$63,820.38
2024 Missing Persons and Unidentified Human Remains	$105,895.54
2025 Selective Traffic Enforcement Program	$702,657.66
TOTAL	**2,514,587.00**

CC. Public Accountability
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.33	$ -	Projected surplus is due to staff vacancies.
Contractual Services	0.16	-	Projected surplus is based on anticipated operational need for consulting services related to the Department of Water and Power's (DWP) rate reviews.
Other Surplus Accounts	0.02	-	Projected surpluses are based on prior-year expenditure trends and OPA's 2026-27 spending plan.
General Fund Total	**$ 0.51**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 5.19	$ 4.49	$ (0.70)	Projected revenue shortfall is primarily due to staff vacancies and lower-than-budgeted expenditures in expense accounts, which are fully reimbursed by DWP.

This Office does not recommend any transactions at this time.

DD. Public Works/Board
Recommendation No. 24
Attachment 3 – New Appropriations
Attachment 5 – Transfers Between Department and Funds

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.14	$ -	Projected surplus is due to staff vacancies.
General Fund Total	**$ 0.14**	**$ -**	

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Overspending (Shown as Negative, in millions)			
Salaries General	$ (0.49)	$ 0.22	Projected overspending is due to costs for staff dedicated to off-budget programs, which are pending reimbursement.
Contractual Services	(0.43)	0.15	Projected overspending is due to unbudgeted interim services.
Special Funds Total	**$ (0.92)**	**$ 0.37**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 7.60	$ 7.35	$ (0.25)	Projected revenue shortfall is due to reduced related costs reimbursements associated with special funded vacancies.

This Office recommends the disencumbrance and reappropriation of prior year funding from the CA Volunteers Youth Service Corps Grant (formerly California for All Youth) funds to partially address the special fund overspending in the Salaries General Account. Additional reimbursements from the Municipal Improvement Corporation of Los Angeles for the Los Angeles Convention

Center Expansion Project (C.F. 15-1207-S8) and the Sixth Street Viaduct Project (C.F. 26-1124) are pending Council approval, which will further reduce this overspending.

The special fund overspending in the Contractual Services Account is due to unbudgeted services that the Board is providing within various Council Districts and costs for the Oil Well Amortization Study (Study). This overspending will be addressed by proposed transfers of AB1290 funds that are pending Council approval. This Office also recommends the reappropriation of FY 2025-26 Climate Equity Funds which will fund the remainder of the Study.

This Office recommends the following transactions at this time:

- Transfer $129,114.54 in 2025–26 funds from the Californians for All Youth (CFAY) Service Corps Program, Cycle 3.0 Fund No. 68S/22, Account No. 22C174, to the Public Works Board Fund No. 100/74, Account No. 001010, Salaries General, to support a portion of program-related expenditures in FY 2026–27.

- Authorize the Controller to disencumber up to $86,473.76 in Fiscal Year 2025-26 encumbered balance for Contract No. C-145470 with the Los Angeles Conservation Corps. within the Board of Public Works Fund No. 100/74, Account No. 003040 Contractual Services, process the early reversion of the disencumbered amount to the Fund No. 68S/22, Account No. 22C174 and reappropriate to Fund No. 68S/21 Account No. 21E174 and subsequently transfer and appropriate therefrom to the Board of Public Works, Fund No. 100/74, Account No. 001010, Salaries General, to support a portion of program-related expenditures in Fiscal Year 2026-27.

- Reappropriate $156,200 from the Climate Equity Fund No. 65K/50, Account No. 50C174, Board of Public Works to the Board of Public Works, Fund No. 100/74, Account No. 003040, Contractual Services to continue the Oil Well Amortization Study (C.F. 25-0600-S133).

EE. Public Works/Bureau of Contract Administration
Recommendation No. 25
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 1.54	$ (0.53)	Projected surplus is primarily due to staff vacancies. The Bureau has a 15 percent vacancy rate.
Overtime General	0.25	(0.08)	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Contractual Services	0.29	-	
Other Surplus Accounts	0.19	-	
Overspending (Shown as Negative, in millions)			
Hiring Hall Salaries	(0.35)	0.35	Projected overspending is due to the increased use of hiring hall staff to maintain service levels in light of full-time vacancies.
Hiring Hall Benefits	(0.18)	0.18	
Hiring Hall Overtime	(0.08)	0.08	
General Fund Total	**$ 1.66**	**$ -**	

(Bureau of Contract Administration narrative continued on the next page)

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 1.23	$ (0.11)	Projected surplus is primarily due to staff vacancies. The Bureau has a 15 percent vacancy rate.
Overtime General	0.46	(0.01)	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Other Surplus Accounts	0.23	-	
Overspending (Shown as Negative, in millions)			
Hiring Hall Salaries	(0.07)	0.07	Projected overspending is due to the increased use of hiring hall staff to maintain service levels in light of full-time vacancies.
Benefits Hiring Hall	(0.04)	0.04	
Overtime Hiring Hall	(0.01)	0.01	
Special Funds Total	**$ 1.80**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 33.57	$ 32.20	$ (1.37)	Projected revenue shortfall is due to reduced proprietary revenue based on year-to-date trends and reduced related cost reimbursements associated with special funded vacancies.

This Office recommends transfers from the projected Salaries General and Overtime General account surpluses to address projected overspending in the Hiring Hall Salaries, Benefits Hiring Hall Benefits, and Overtime Hiring Hall Overtime accounts. This Office will continue to work with the Bureau to monitor its spending and report in future FSRs with the recommendations necessary to resolve any remaining overspending.

This Office recommends the following transactions at this time:

- Transfer $602,000 from the Bureau's Salaries General ($527,000) and Overtime General ($75,000) accounts to the Bureau's Hiring Hall Salaries ($352,000), Benefits Hiring Hall

($175,000), and Overtime Hiring Hall ($75,000) accounts to address projected overspending for hiring hall staff to maintain service levels in light of full-time vacancies.

- Transfer $117,000 from the Bureau's Salaries General ($107,000) and Overtime General ($10,000) accounts within the Sewer Capital Fund to the Bureau's Hiring Hall Salaries ($67,000), Hiring Hall Benefits ($40,000), and Hiring Hall Overtime ($10,000) accounts within the same fund to address projected overspending for hiring hall staff to maintain service levels in light of full-time vacancies.

- Authorize the Controller to disencumber up to $149,448.26 from the Fiscal Year 2024-25 balances, as follows: a) $142,471.70 in Fiscal Year 2024-25 encumbered balances for Contract No. C-138160, Pastilla Inc. (C025138160M) within the Bureau of Contract Administration Fund No. 100/76, Account No. 003040, Contractual Services, and b) $6,976.56 in Fiscal Year 2024-25 encumbered balances for Authority For Expenditure No. 760003M, for deputy license and exam fee reimbursements (AE25760003M) within the Bureau of Contract Administration Fund No. 100/76, Account No. 006010, Office and Administration and revert the disencumbered amount totaling $149,448.26 to the Reserve Fund. Subsequent to the aforementioned recommendation, authorize the Controller to transfer up to $149,448.26 from the Reserve Fund to the Measure M Local Return Fund, Fund 59C/94, Revenue Source Code 5692 for 2025-26 expenditures that should be attributed to the General Fund.

FF.Public Works/Bureau of Engineering
Attachment 4 – Transfers between Accounts within Departments and Funds

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Printing and Binding	$ 0.02	$ -	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Transportation	0.02	-	
Operating Supplies	0.02	-	
Other Surplus Accounts	0.01	-	
General Fund Total	**$ 0.07**	**$ -**	

(Bureau of Engineering narrative continued on the next page)

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 3.04	$ (0.33)	Projected surplus is due to staff vacancies and hiring delays.
Other Surplus Accounts	0.07	-	Projected surpluses are based on year-to-date and prior-year expenditure trends.
Overspending (Shown as Negative, in millions)			
Salaries, As-Needed	(0.33)	0.33	Projected overspending is due to costs for the 2026 Summer Internship Program.
Special Funds Total	**$ 2.79**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 76.82	$ 75.06	$ (1.76)	Projected revenue shortfall is primarily due to reduced related costs reimbursements associated with special funded vacancies and shortfalls for U Permits and Lateral Support Shoring Fee revenues, partially offset by projected surpluses in general building permits and reimbursements from Los Angeles World Airports.

This Office recommends a transfer from the projected Salaries General Account surplus to the Salaries As-Needed Account to address projected overspending related to the 2026 Summer Internship Program.

This Office recommends the following transaction at this time:

- Transfer $331,000 from the Bureau's Salaries General Account funded by the Sewer Construction and Maintenance Fund ($300,000) and the Proposition C Anti-Gridlock Transit Fund ($31,000) to the Salaries, As-Needed Account to address projected overspending associated with the Summer Internship Program.

GG. Public Works/Bureau of Sanitation
Recommendation No. 26
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Operating Supplies	$ 0.13	$ -	Projected surplus is based on year-to-date and prior-year expenditure trends.
Overspending (Shown as Negative, in millions)			
Salaries General	(1.78)	-	Projected overspending is due to services provided for unbudgeted activities.
Contractual Services	(4.61)	-	Projected overspending is due to operational needs to maintain current service levels and for unbudgeted activities.
Overtime General	(3.26)	-	Projected overspending is due to operational needs to maintain current service levels and for unbudgeted activities.
Other Accounts	(0.09)	-	Projected overspending is based on prior-year expenditures trends.
General Fund Total	**$ (9.61)**	**$ -**	

(Bureau of Sanitation narrative continued on the next page)

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 36.19	$ (6.06)	Projected surplus is due to staff vacancies and hiring delays.
Contractual Services	1.16	-	Projected surplus is due to timing of contract execution and receipt of invoices.
Other Accounts	1.67	0.20	Projected surplus is due to year-to-date and prior-year expenditure trends.
Overspending (Shown as Negative, in millions)			
Salaries, As-Needed	(0.47)	0.58	Projected overspending is due to staff vacancies and operational needs throughout the year.
Overtime General	(7.21)	4.46	Projected overspending is due to staff vacancies and operational needs throughout the year.
Hiring Hall Salaries	(0.19)	0.40	Projected overspending is due to staff vacancies and operational needs throughout the year.
Water and Electricity	(0.15)	0.10	Projected overspending is due to higher utility costs.
Special Funds Total	**$ 31.00**	**$ (0.32)**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 174.05	$174.05	$ -	This Office projects the Bureau will meet its General Fund budget by year-end.

This Office projects General Fund overspending as a result of maintaining current service levels and providing services that are currently unbudgeted. Unbudgeted services include waste hauling during the FIFA World Cup events, security services for Sanitation yards, continued support in the

Palisades area, services provided during and following the Lineage facility fire in Boyle Heights, and services related to the Clean Corridors Program. This Offices does not recommend any transfers at this time and we will continue to work with the Bureau to monitor and address the projected overspending in its Salaries General, Overtime General, and Contractual Services accounts. We will report in future FSRs with recommendations necessary to address any overspending.

This Office recommends special fund transfers primarily from the projected Salaries General Account surplus to partially address overspending in the Overtime General, Hiring Hall Salaries, and Water and Electricity accounts. The recommended transfers will provide adequate funding to address expenditures through January 2027. This Office will continue to work with the Bureau to monitor and address projected overspending and will report in future FSRs with recommendations necessary to address any remaining overspending.

Lineage Fire/Boyle Heights Services

On June 17, 2026, a fire erupted at a meat processing warehouse facility in Boyle Heights. The Bureau provided various services during and after the fire incident including, but not limited to, testing water runoff for pollutants, providing increased bulky item pickup, power washing streets, and providing pest control in the neighborhood surrounding the facility site. The Bureau continues to provide services for an undetermined period. Expenditures to date are approximately $0.9 million and the Bureau states that expenditures are projected to be $4.6 million by year-end. There are pending Council motions and reports (C.F. 26-0906-S12 and C.F. 26-0906-S14) that may address and mitigate the projected overspending and this Office will continue to work with the Council and the Bureau to monitor and report on its expenditures.

Clean Corridors Pilot Program

The Clean Corridors initiative is intended to clean major corridors around the City. The Bureau has spent approximately $318,000 for services related to the pilot program. Approximately $2.3 million is projected to be spent by the year-end. As the current work is not funded in the Adopted Budget, the Bureau has used staff from various programs and will absorb costs to the extent its budget allows. This Office will continue to work with the Bureau to monitor its expenditures and report in future FSRs with recommendations necessary to address any overspending

El Niño Impacts

The wet weather season officially starts in October and 2026-27 may have one of the wettest seasons due to the El Niño weather pattern. During wet weather, the Bureau provides support for debris clearance and water testing in compliance with the City's water discharge permit. Funding for these activities is budgeted within the Stormwater Pollution Abatement (SPA) Fund. It is yet to be determined the impacts of the wet weather season; however, expenditures during storms may impact the General Fund as the SPA Fund is currently subsidized by the General Fund and may not be able to absorb costs. We will continue to monitor expenditures related to the potentially heavy wet weather season and will report in future FSRs with recommendations if needed.

Lifeline

The 2026-27 Adopted Budget provides $35.1 million for various Lifeline and low-income programs, which offer qualifying ratepayers subsidies for sewer and trash services. Reimbursement for the subsidies is remitted to the Sewer Construction and Maintenance Fund, Solid Waste Resources Revenue Fund, and Multi-Family Bulky Item Fund. Funds are also encumbered to pay prior year invoices in the current year. Due to increased enrollment and delayed invoicing, there is a $12.4 million shortfall from the 2025-26 encumbrance. In addition, this Office projects overspending for 2026-27 subsidies of $5.4 million. The subsidy amount is required to be reimbursed by General Fund due to Proposition 218 restrictions. This Office will continue to work with the Bureau to monitor and address the projected overspending for 2026-27 subsidies. We will report in future FSRs with recommendations necessary to address any overspending.

This Office recommends the following transactions at this time:

- Authorize the Controller to correct the funding sources for expenditures reported in FY 2024-2025 Bureau of Sanitation Reversion Worksheet for the overtime expenses incurred for activities related to implementing the City's Low Impact Development (LID) Ordinance and complying with the National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit requirements.

- Transfer $80,000 from the Salaries General Account to the Salaries, As-Needed ($50,000) and Overtime General ($30,000) accounts within the Sewer Capital Fund (SCMC) to address projected overspending.

- Transfer $275,000 from the Bureau's Salaries General Account to the Overtime General Account within the Multi-Family Bulky Item Fee Fund to partially address projected overspending.

- Transfer $375,000 from the Bureau's Salaries General Account to the to the Salaries, As-Needed ($125,000), Overtime General ($150,000), and Water and Electricity ($100,000) accounts within the Measure W Safe Clean Water Municipal Program Special Fund to partially address projected overspending.

- Transfer $5,000,000 from the Bureau's Salaries General Account to the Salaries, As-Needed ($400,000), Overtime General ($4,000,000), Hiring Hall Salaries ($400,000), and Benefits Hiring Hall ($200,000) accounts within the Sewer Operation and Maintenance Fund to partially address projected overspending.

- Transfer $32,636.98 from the PW-Sanitation Expense and Equipment Account within the Sewer Operation and Maintenance Fund to the City Administrative Officer's Reimbursement of Other Funds Revenue Account for insurance premiums.

- Transfer $146,092.80 from the PW-Sanitation Expense and Equipment accounts within Sewer Operation and Maintenance Fund ($73,046.40) and the Solid Waste Resources

Revenue Fund ($73,046.40) to the Information Technology Agency's (ITA) Communication Services Account to reimburse ITA for the Bureau's annual share of fiber service lease costs in City Hall East and connections to other facilities.

- Transfer $18,000 from the Bureau of Sanitation Account within the Environmental Affairs Trust Fund to the Bureau's Salaries, As-Needed ($6,500), Overtime General ($4,000), Travel ($6,500), and Office and Administrative ($1,500) accounts to support Clean Cities grant-supported projects.

- Transfer $327,070.02 from the Bureau's Salaries General Account within the Sewer Operation and Maintenance Fund to the City Administrative Officer's Salaries General Account to reimburse the City Administrative Officer for an employee on loan.

HH. Public Works/Bureau of Street Lighting
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.14	$ -	Projected surplus is due to staff vacancies.
Overspending (Shown as Negative, in millions)			
Overtime General	(0.08)	-	Projected overspending is due to overtime design work for damages from the Palisades Fire.
General Fund Total	**$ 0.06**	**$ -**	

(Bureau of Street Lighting narrative continued on the next page)

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.44	$ -	Projected surplus is due to staff vacancies.
Operating Supplies	0.52	-	Projected surpluses are based on the prior-year expenditure trends and anticipated operational needs through year-end.
Office and Administrative	0.09	-	
Street Lighting Improvements and Supplies	0.47	-	
Overspending (Shown as Negative, in millions)			
Overtime General	(0.63)	-	Projected overspending is due to overtime design work for damages from the Palisades Fire.
Hiring Hall Salaries	(0.25)	-	Projected overspending is due to budget reductions and anticipated operational needs through year end.
Benefits Hiring Hall	(0.21)	-	
Special Funds Total	**$ 0.43**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 11.08	$ 10.62	$ (0.46)	Projected revenue shortfall is due to reduced related costs reimbursements associated with special funded vacancies.

This Office anticipates that the projected special fund overspending in the Overtime General, Hiring Hall Salaries, and Benefits Hiring Hall accounts will be addressed through pending interim appropriations and transfers for street lighting projects, solar lighting plan review, vandalism repairs, and the State Middle-Mile Broadband Network. This Office will continue to work with the Bureau to monitor expenditures and report in future FSRs with recommendations necessary to address any overspending not addressed by these pending transfers.

This Office recommends the following transaction at this time:

- Transfer $64,016.71 from the Street Lighting Maintenance Assessment Fund, Street Lighting Improvement and Supplies Account to the Information Technology Agency's Communication Services Account for the installation of computer ports and wireless access points at the Field Operations Division's Santa Monica Yard.

II. Public Works/Bureau of Street Services
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.74	$ -	Projected surplus is due staff vacancies.
General Fund Total	**$ 0.74**	**$ -**	

(Bureau of Street Services narrative continued on the next page)

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 5.05	$ (2.22)	Projected surplus is due to staff vacancies.
Construction Expense	4.17	-	Projected surpluses are based on prior-year expenditure trends and anticipated operational needs through year end.
Operating Supplies	2.30	0.16	
Other Surplus Accounts	0.41	-	
Overspending (Shown as Negative, in millions)			
Overtime General	$ (0.43)	$ 0.43	Projected overspending is due to unbudgeted costs for the Destination Crenshaw Mitigation Project.
Hiring Hall Salaries	(0.95)	0.95	Projected overspending is due to access ramp and related street project construction.
Benefits Hiring Hall	(0.75)	0.75	
Overtime Hiring Hall	(0.05)	0.05	
Special Funds Total	**$ 9.75**	**$ 0.12**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 110.80	$109.89	$ (0.91)	Projected revenue shortfall is due to a delay in implementing ordinance changes for permit fee increases and reduced related cost reimbursements associated with vacant special funded positions, which is partially offset by higher than anticipated prior-year related costs reimbursements.

This Office recommends transfers from projected surpluses in the Salaries General and Operating Supplies accounts to address the projected overspending in the Hiring Hall Salaries, Benefits Hiring Hall, and Overtime Hiring Hall accounts. The projected overspending is due to work related to access ramps and the Destination Crenshaw Mitigation Project. This Office also recommends a transfer to reimburse the Bureau and various other departments for work associated with special events. This reimbursement will address the projected overspending in the Bureau's Overtime General Account.

Clean Corridors

The 2026-27 Adopted Budget did not provide funding for Clean Corridors related work, but an estimated $1,000,000 has been spent since the beginning of the fiscal year through October 1, 2026. The Bureau has used staff from various programs and will absorb costs to the extent their budget allows. While this Office tentatively projects that the Bureau will be able to absorb the unbudgeted costs, the potential costs associated with emergency response during the upcoming El Niño storm season may lead to overspending. Storm response may include road closures, mudslide clearing, debris removal, addressing drainage issues, performing pothole and large asphalt repairs, evaluating roadway stability, and clearing fallen trees. This Office anticipates addressing some of these issues through interim transfers in future Transportation-related Construction Projects Reports.

This Office recommends the following transactions at this time:

- Transfer $2,447,525.02 from the Street Services Transaction Fund to the Bureau of Street Services ($223,751.10), the Department of Transportation ($427,955.75), the Solid Waste Resources Fund ($1,216.66), the Building and Safety Building Permit Enterprise Fund ($4,387.59), the Fire Department ($44,148.96), and the Police Department ($1,746,064.96) to reimburse salaries, overtime, and other expenses associated with special events.

- Transfer $100,000 from the Bureau's Overtime General Account within the Special Gas Tax Improvement Fund to the General Services Department's Overtime General Account for vehicle fleet repair and maintenance.

- Transfer $1,619,830 from the Bureau's Salaries General Account within the Measure R Local Return Fund to the Hiring Hall Salaries ($900,000), Benefits Hiring Hall ($700,000), and Overtime Hiring Hall ($19,830) accounts to manage workload and goals related to the build out of access ramps.

- Transfer $126,047 from the Bureau's Salaries General Account within the Measure M Local Return Fund to the Hiring Hall Salaries ($50,000), Benefits Hiring Hall ($50,000) and Overtime Hiring Hall ($26,047) accounts to manage workload and goals related to the build out of access ramps.

- Transfer $478,121 from the Bureau's Salaries General Account within the Special Gas Tax Improvement Fund to the Overtime General ($311,468) and Operating Supplies ($166,653) accounts to cover costs associated with the Destination Crenshaw Mitigation Project.

JJ. Recreation and Parks
Recommendation No. 27

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 0.07	$ -	Projected surplus in these accounts assumes reimbursement of Department's special funded positions by RAP special funds periodically throughout the year.
Salaries, As-Needed	0.28	-	
Office and Administrative	0.43	-	Projected surpluses are based on year-to-date and prior year expenditure trends.
Children's Play Equipment	0.15	-	
Other Surplus Accounts	0.26	-	
Overspending (Shown as Negative, in millions)			
Contractual Services	(1.17)	-	Projected overspending is due to unbudgeted expenses for lifeguarding services at Cabrillo and Venice Beaches.
Operating Supplies	(1.70)	-	Projected overspending is based on year-to-date and prior year expenditure trends.
Transportation	(0.14)	-	Projected overspending is based on prior year expenditure trends and Internal Revenue Service (IRS) standard mileage rate increases.
Special Funds Total	**$ (1.82)**	**$ -**	

Special Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 62.70	$ 62.70	$ -	This Office projects the Department will meet its self-generated revenue budget by year end.

The projected surpluses in the Salaries General and Salaries, As-Needed accounts assume reimbursement of front-funded salary expenditures for special funded positions throughout the year, including an estimated reimbursement of $12.9 million to the Salaries General Account. The

projected overspending in the Operating Supplies and Transportation accounts are expected to be resolved through administrative transfers from accounts with projected year-end surpluses. The projected overspending in the Contractual Services Account is due to unbudgeted funding needs for lifeguarding services, as well as unbudgeted costs for emergency operations. Lifeguarding costs are eligible expenses for the Recreation and Parks Fund, while emergency operations expenditures have a General Fund impact. This Office recommends that the Department report within 30 days to the City Council via a separate transmittal with the details of the new contract terms and fiscal impacts of the new agreements related to the Cabrillo and Venice Beaches lifeguarding and maintenance services.

Emergency Operations

The 2026-27 Adopted Budget includes $500,000 in the Unappropriated Balance for the Department's emergency operations and shelter activation costs. The Department is compiling costs due to the activation for the June 2026 Lineage Warehouse Fire event and will provide an update in the Second FSR. In addition, the Department will report on costs of heating and cooling center activations to date. If expenditures exceed the Department's budgeted funds for emergency operations, the Department plans in the Second FSR to request a transfer from the funds set aside for these purposes in the Unappropriated Balance.

Child Care Centers

Non-City Operated Child Care Centers

The process for transitioning City-operated child care sites to external, non-City providers was approved by the City Council (C.F. 26-0697). Non-City providers will operate the following child care centers: Banning, Branford, Echo, Evergreen, Downey, South Park, Van Ness, and Victory Valley Child Care Centers. The new providers are in the process of establishing licensing for the centers, which is expected to take up to 90 days.

City-Operated Child Care Centers

The Department will continue to operate Branford, Ira C. Massey, Jim Gilliam, and Ralph M. Parsons Child Care Centers. The Department extended operational hours at Branford and Ira C. Massey Child Care Centers to better serve registered program participants. The table below summarizes the status of enrollment these centers:

Center Name	**Date Opened to the Public**	**Licensed Capacity**	**No. Enrolled as of August 2026**	**Available Enrollment Slots**
Branford Child Care Center	8/15/22	50	6	44
Ira C. Massey Child Care Center	7/10/23	30	9	21
Jim Gilliam Child Care Center	1/11/95	45	19	26
Ralph M. Parsons Preschool	3/19/04	90	24	66
Total		**215**	**58**	**157**

This Office will continue to work with the Department to monitor its spending and report in future FSRs with recommendations necessary to address any projected overspending.

This Office recommends the following at this time:

- Instruct the Department of Recreation and Parks to report within 30 days to the City Council via a separate transmittal, with the details of the new contract terms for the successor agreements to the 1975 Joint Powers Agreement with Los Angeles County for the provision of lifeguarding and maintenance services at Cabrillo and Venice Beaches. This report should also include the current and future year fiscal impacts of these new agreements.

KK. Transportation
Attachment 3 – New Appropriations
Attachment 4 – Transfers between Accounts within Departments and Funds
Attachment 5 – Transfers between Departments and Funds

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries, As-Needed	$ 1.11	$ (0.05)	Projected surpluses are based on year-to-date expenditure and prior-year expenditure trends.
Printing and Binding	0.15	-	
Other Surplus Accounts	0.09	-	
Overspending (Shown as Negative, in millions)			
Salaries General	(0.11)	-	Projected overspending is based on year-to-date expenditure trends.
Overtime General	(2.00)	-	Projected overspending is based on year-to-date expenditures and prior-year expenditure trends.
Transportation	(0.03)	-	Projected overspending is based on prior-year expenditure trends.
General Fund Total	**$ (0.79)**	**$ (0.05)**	

(Transportation narrative continued on the next page)

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Salaries General	$ 8.96	$ (0.09)	Projected surplus is due to staff vacancies.
Other Surplus Accounts	0.02	-	Projected surpluses are based on prior-year expenditure trends.
Overspending (Shown as Negative, in millions)			
Overtime General	(8.28)	10.10	Projected overspending is based on year-to-date expenditures and prior-year expenditure trends.
Hiring Hall Salaries	(0.59)	0.59	Projected overspending is based on prior-year expenditure trends and projected operational needs through year end.
Special Funds Total	**$ 0.11**	**$ 10.60**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 104.49	$101.21	$ (2.85)	Projected revenue shortfall is due to reduced related cost reimbursements associated with special funded vacancies.

This Office recommends various transfers to reimburse traffic control services to address the projected special fund overspending in the Overtime General Account. The remaining special fund overspending in the Hiring Hall Salaries Account will be addressed through transfers from the Measure M Local Return Fund and Proposition C Anti-Gridlock Transit Improvement Fund. Additionally, this Office recommends transferring $1.5 million in General City Purposes funding for the continuation of LA Cleantech Incubator operations to deliver startup incubation services and advance clean and transportation technology innovation for high-quality green and transportation-related jobs for the City.

This Office will continue to work with the Department of Transportation (LADOT) to monitor its spending and report in future FSRs with recommendations necessary to address any projected overspending.

Special Fund Revenues

This Office projects a revenue shortfall of $2.4 million for the Proposition C Anti-Gridlock Transit Fund based on no receipts over the last two years for the Reimbursements from Other Agencies revenue source code. This Office will continue to monitor overall revenues in the Proposition C Anti-Gridlock Transit Fund and address any revenue shortfall in a future FSR.

On-Demand Mobility Program

On July 1, 2026, the City Council instructed the CAO to report via the FSR the revenue projections for the On-Demand Mobility Program, which regulates and enforces operators of dockless scooters, e-bikes, and other micromobility services (C.F. 17-1125). Program fees are deposited into the Permit Parking Program Revenue Special Fund. The three-year average at the current fee schedule is $551,069. In this reporting period $119,568.76 was collected, which is 38% above the three-year average for the same period. Assuming the new fee schedule is adopted by October 2026, the projected revenue will be approximately $2.38 million, including $600,000 in annual permit fees. This Office previously reported revenues would be $2.75 million, or $370,000 greater, if the new fee schedule was adopted by the start of the fiscal year.

Bikeshare Operations and Maintenance

Insufficient funding is available for bikeshare operations and maintenance costs in 2026-27. LADOT estimates $8.5 million is needed annually to reimburse Los Angeles Metro (Metro) for program expenses. The Adopted Budget includes $2.8 million in new appropriations and $13.9 million in prior year appropriations. Because of ongoing negotiations between Metro and a new bikeshare operator, renewal of Metro's MOU with LADOT was delayed. Although the operator agreement is still pending, Metro and LADOT executed their agreement in March 2026, and LADOT resumed payment of outstanding invoices since 2024. The program currently has $1.47 million available, which covers 2 months of operations and likely closes out 2025-26 invoices. This issue will be monitored, and a funding transfer may be recommended in a future FSR for 2026-27 expenses.

This Office recommends the following transactions at this time:

- Appropriate $373,583.90 from the Transportation Department Trust Fund, Special Events Revenue Account to a new account entitled Special Event Venue Overtime within the same Fund, then subsequently transfer to the Overtime General Account to cover overtime for traffic control services provided at the venues.

- Appropriate $1,194,583.09 from the Transportation Department Trust Fund, Transportation Control Services Revenue Account to a new account entitled DOT Traffic Control Overtime within the same Fund, then subsequently transfer to the Overtime General Account to cover overtime for traffic control services provided at non-contracted special event locations.

- Appropriate $5,200,000 received from the Transportation Department Trust Fund, State Highway Agreements Revenue Account to a new account entitled SR-47 Vincent Thomas Bridge within the same Fund, then subsequently transfer the funds to the Overtime General Account to cover overtime support for Vincent Thomas Bridge Deck Replacement Project.

- Appropriate $1,761,965.62 from the Transportation Department Trust Fund, Transportation Account to a new account entitled Special Event Venue Overtime within the same Fund, then subsequently transfer to the Overtime General Account to reimburse overtime for traffic control services provided at special event venues.

- Appropriate $5,601.17 from the Transportation Department Trust Fund, Miscellaneous Revenue Account to the Department's Salaries General Account to restore funds previously overpaid to employees and subsequently repaid.

- Appropriate $2,435,225 from the Proposition C Anti-Gridlock Transit Fund, Open Streets Program Account to a new account entitled Traffic Signal Supplies within the same Fund and appropriate $2,435,225 from the Measure M Local Return Fund, Traffic Signal Supplies Account to a new account entitled Open Streets Program within the same Fund to ensure the budgeted amounts for these purposes are available in eligible special fund sources.

- Transfer $145,788.60 from the Salaries, As-Needed ($48,596.60) and Salaries General ($97,192) accounts to the Contractual Services Account for the Department's portion of Environmental Systems Research Institute, Inc. subscription costs for Geographic Information Systems-related services.

- Transfer $131,576.28 from the Proposition C, Paint and Sign Maintenance Support – Overtime Account to the Department's Hiring Hall Salaries Account to increase services provided by the hiring hall to the Paint & Sign Division.

- Transfer $455,512.20 from the Measure M, LED Replacement Modules Account to the Department's Hiring Hall Salaries Account to increase services provided by the hiring hall to the Signal Systems Division.

- Transfer $1,568,423.72 from the Proposition C, Paint and Sign Maintenance Support – Overtime Account to the Department's Overtime General Account to reduce the maintenance backlog in the Paint & Sign Division.

- Transfer $1,500,000 from the LA Cleantech Incubator Account within the General City Purposes to a new account entitled LA Cleantech Incubator within the Department of Transportation Trust Fund to support startup incubation services and advance clean and transportation technology innovation, creating high-quality green and transportation-related jobs for the City.

LL.Zoo
No Recommendation

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Office and Administrative	$ 0.29	$ -	Projected surpluses based on prior-year expenditure trends and operational needs through year end
Salaries, As-Needed	0.29	-	
Other Surplus Accounts	0.28	-	
Special Funds Total	**$ 0.86**	**$ -**	

The Zoo is in the process of reconciling the Zoo Enterprise Trust Fund cash balance with existing appropriations to determine the Fund's ability to support deferred maintenance efforts. The deferred maintenance must be completed before the Association of Zoos and Aquariums Accreditation review, which is expected to occur in Fall 2027. If the cash balance is insufficient to address this effort, the Zoo may require the use of the projected surplus or a supplemental appropriation from the General Fund. This Office will continue to work with the Zoo to evaluate the status of the Fund and report its status in future FSRs.

The Zoo has no General Fund revenue budget. This Office does not recommend any transactions at this time.

2. STATUS OF NON-DEPARTMENTAL FUNDS AND SPECIAL ACCOUNTS

This section addresses the status of non-departmental expenditures and revenues and highlights issues of concern.

A. General City Purposes
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Medicare	$ 0.35	$ -	Projected surplus is due to lower than anticipated wages, offset partially by higher than anticipated staffing.
Social Security	0.03	-	Projected surplus is due to lower than anticipated staffing.
Pension Savings Plan	0.31	-	
Overspending (Shown as Negative, in millions)			
Solid Waste Fee Lifeline Rate Program	(17.80)	-	Projected overspending is due to expansion of the Lifeline and Low Income Subsidy Programs and prior-year delay in invoicing.
General Fund Total	**$(17.11)**	**$ -**	

General Fund Revenue (Figures in Millions)			
Revenue Budget	**First FSR**	**Variance from Budget**	**Projection Basis**
$ 91.95	$ 91.95	$ -	This Office projects the Fund will meet its General Fund revenue budget by year end.

The Office projects a net overspending in General City Purposes (GCP) of $17.11 million, consisting of overspending of $17.80 million in the Solid Waste Fee Lifeline Rate Program Account offset by a surplus of $0.69 million in various payroll accounts.

The $17.80 million in projected overspending is attributed to the Lifeline and Low-Income programs, which provide qualifying ratepayers with subsidies for sewer and solid waste services. This deficit

is driven by increased program enrollment and delayed prior-year invoicing totaling $12.40 million, alongside $5.40 million in projected over-expenditures for current-year subsidies. Pursuant to Proposition 218 restrictions, the General Fund is required to reimburse these subsidy amounts. Reference the Sanitation section of this report for more details on Lifeline and Low-Income subsidy programs.

The offsetting $0.69 million in savings is comprised of surpluses within the Medicare ($0.35 million), Social Security ($0.03 million), and Pension Savings Plan ($0.31 million) accounts. The projected savings in the Medicare account reflect lower than anticipated salary expenditures, which are partially offset by higher than anticipated staffing levels. Conversely, the savings within the Social Security and Pension Savings Plan accounts are the direct result of lower-than-anticipated staffing levels.

B. Unappropriated Balance
Attachment 6 – Appropriations from the Unappropriated Balance
Attachment 7A – Status of the UB – General Account
Attachment 7B – Status of the UB – Reserve for Mid-Year Adjustments
Attachment 7C – Status of the UB – Non-General Accounts

The 2026-27 Adopted Budget includes $201.45 million for the Unappropriated Balance (UB). Through October 22, 2026, the Mayor and City Council have approved a net of $18.21 million in transactions, leaving a balance of $183.24 million in the UB. Additionally, a recommendation to transfer $5 million from the Unappropriated Balance, Reserve for Mid-Year Adjustments to establish a new account entitled “Lineage Fire Mitigation Response” within the GCP is currently pending Council and Mayor approval via a separate report. Should the recommendation be approved, the remaining balance in the UB will be reduced accordingly.

This report includes recommendations to transfer $12.83 million from various UB accounts, which leaves a remaining balance of $170.41 million.

This Office recommends the following transactions at this time:

- Transfer $223,783 from the Unappropriated Balance, Department Payroll Reconciliation Account to the City Administrative Officer’s Contractual Services Account for Workday implementation tenant and classification and compensation benchmarking services.

- Transfer $5,922,000 from the Unappropriated Balance, Outside Counsel including Workers’ Compensation Account to the City Attorney’s Outside Counsel Account to partially address projected overspending.

- Transfer $2,889,568 from the Unappropriated Balance, Equipment, Expenses, and Alterations and Improvements Account to Council’s Salaries As-Needed Account to cover staffing costs.

- Transfer $714,033.21 from the Unappropriated Balance, Ground Emergency Medical Transport QAF Program Account to the Fire's Contractual Services Account for the 2023-24 and 2024-25 administrative fees for the Ground Emergency Medical Transport Program.

- Transfer $1,881,432 from the Unappropriated Balance, Equipment, Expenses, and Alterations and Improvements Account to various Mayor's accounts to align with current expenditures.

- Transfer $1,200,000 from the Unappropriated Balance, Office of Major Events Account to the Mayor's Salaries As-Needed Account to cover the Office of Major Events' staffing costs.

C. Human Resources Benefits
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Supplemental Civilian Union Benefits	$ 0.13	$ -	Projected surplus is due to lower than assumed starting enrollment.
Employee Assistance Program	0.01	-	
Overspending (Shown as Negative, in millions)			
Fire Health and Welfare Program	(2.54)	-	Projected overspending is due to higher than assumed health plan premium rate increases.
Police Health and Welfare Program	(1.36)	-	
Civilian Benefits Program	(0.37)	-	
General Fund Total	**$ (4.13)**	**$ -**	

The net projected overspending is primarily due to higher premium rate costs compared to the rates assumed in the 2026-27 Adopted Budget, partially offset by lower than assumed police and civilian enrollment.

Projections this early in the fiscal year are subject to potentially significant expenditure fluctuations by year end due to changes in benefit rates, open enrollment, staff attrition and hiring, and workers' compensation claims. The impact of the Dependent Eligibility Verification (DEV) audit on enrollment

will be updated in future FSRs. The budget assumes $6.3 million in savings from the DEV audit, but preliminary reports indicate the savings will be between $3.5 and $5.1 million.

This Office and the Personnel Department will continue to monitor the status of this Fund and report in future FSRs.

This Office does not recommend additional appropriations at this time.

D. Liability Claims Account
Attachment 8 – Status of Liability Accounts

The 2026-27 Adopted Budget provides $205.37 million for Liability Payouts, composed of the Miscellaneous Liability Payouts ($180 million) and the Public Works, Sanitation Liability Payouts accounts ($20 million from the Solid Waste Resources Revenue Fund and $5.37 million from the Sewer Operations and Maintenance Fund). The Unappropriated Balance Reserve for Extraordinary Liability Account includes supplemental funding of $20 million to pay for both tort liability and tax-related cases beyond the amount allocated in the Liability Claims Account.

As of August 31, 2026, the City has paid $89.87 million and approved an additional $13.80 million, which is pending payment. This results in an available balance of $101.70 million within the Liability Claims Account for the remainder of the fiscal year ($92.40 million in General Fund and $9.30 million in the Bureau of Sanitation special funds). The City Attorney reports the cases pending Council approval are valued at $55.83 million ($55.42 million in General Fund and $0.41 million for the Bureau of Sanitation special funds), and an additional value of $100.49 million ($99.36 million in General Fund and $1.13 million for the Bureau of Sanitation special funds) in cases that are pending final report. Including these items pending various levels of approval, the projected year-end overspend is $62.38 million in General Fund, while the Bureau of Sanitation is projected to have a year-end surplus of $7.76 million. This Office will continue to monitor this Account and will continue to provide updated projections in future FSRs.

This report has identified transferring the Unappropriated Balance Reserve for Extraordinary Liability Account supplemental funding of $20 million to the Liability Claims Account as a proposed future action to address the overspending projection. The result of this action will reduce the projected year-end overspend in General Fund to $42.38 million. This Office will continue to monitor this Account and will continue to provide updated projections in future FSRs.

E. Leasing Account
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
General Fund Leasing	$ 1.24	$ -	Projected surplus reflects lower than anticipated lease and contract costs and delays in the execution of leases, including the Los Angeles Police Department - South Traffic Division lease.
General Fund Total	**$ 1.24**	**$ -**	

This Office does not recommend any transactions at this time.

F. Petroleum Products
No Recommendation

General Fund			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Overspending (Shown as Negative, in millions)			
Petroleum Products	$(13.81)	$ -	Projected overspending is due to increased commodity prices.
General Fund Total	**$(13.81)**	**$ -**	

Special Funds			
Account Name	**First FSR**	**Proposed FSR Changes**	**Projection Basis**
Surpluses (Shown as Positive, in millions)			
Petroleum Products	$ 2.20	$ -	Projected surplus is due to lower than anticipated usage for Solid Waste Resources Revenue Fund and City Employee Ridesharing Fund (CERT) vehicles and equipment.
Special Funds Total	**$ 2.20**	**$ -**	

This Office projects a General Fund overspend of $13.81 million and a special funds surplus of $2.2 million in special funds for Petroleum Products. The General Fund overspend is due to increased commodity pricing, while the projected surplus in special funds is due to lower than anticipated usage for CERT-funded vehicles and equipment. This Office will continue to work with the General Services Department to monitor petroleum spending and report in future FSRs with recommendations necessary to address any projected overspending.

This Office does not recommend any transactions at this time.

G. Water and Electricity
No Recommendation

Due to delays in billing, this Office prepared Water and Electricity expenditure projections based on prior-year spending. Based on these projections, the Water and Electricity Fund will end the year on-budget. We anticipate that this Fund will meet its $6.78 million General Fund revenue budget by year end.

This Office does not recommend any transactions at this time.

3. STATUS OF EMPLOYMENT
Attachment 9 – Employment Level Report
Citywide employment authority from all funding sources totaled 37,779 at the end of August for both civilian and sworn classes. Departments reported a total of 31,005 filled positions and 6,774 vacant positions (4,274 General Fund and 2,500 special funded).

4. STATE BUDGET
No Recommendation

On June 29, 2026, Governor Newsom signed the 2026-27 State Budget, a $351.7 billion state-fund spending plan, including $251.5 billion from the General Fund. The balanced budget relies on approximately $14 billion in solutions, including $5.4 billion from suspending a reserve deposit to the Budget Stabilization Account, $3.9 billion in borrowing, $2.4 billion in additional special fund allocations, $580 million in spending reductions, and $2 billion in revenue-related solutions. Stronger 2025-26 revenues improved the near-term outlook, but expenditures are projected to exceed revenues in 2026-27.

The Adopted Budget projects $19.6 billion in General Fund reserves at the end of 2026-27: $15.1 billion in the Budget Stabilization Account and $4.5 billion in the Special Fund for Economic Uncertainties Account. Including the $9.2 billion Proposition 98 Reserve, total reserves are approximately $28.8 billion. The Adopted Budget also extends the sales and use tax to certain prewritten digital software beginning January 1, 2027, generating an estimated $560 million in local sales tax revenue in 2026-27, which represents a half year of revenues. The full year estimated local sales tax revenues for 2027-28 are anticipated at $1.1 billion. The City's share cannot be determined at this time. Potential City impacts from State Budget actions are summarized below.

Emergency and Natural Disaster Support

The Adopted Budget establishes the Disaster Rebuilding Assistance Program to expand construction and renovation financing for homeowners of properties that were damaged or destroyed from disasters, including wildfires. The program allocates $56 million in one-time funding from the General Fund and $44 million from National Mortgage Settlement Funds. Eligibility guidelines are currently in development and must be submitted to the Legislature by January 2027. At the time of this report, the State has not deployed state resources in response to the Lineage Fire. Additionally, on September 21, 2026, the Governor proclaimed a State of Emergency to bolster statewide El Niño preparedness. While the proclamation outlines operational support available to local municipalities, it does not currently identify direct financial resources for the City. This Office will continue to monitor the State's actions for additional resources and funding opportunities the City may pursue.

Transportation

The Adopted Budget authorizes Caltrans to establish automated enforcement on State Highway System portions of the LA28 Games Route Network during the 2028 Games, either directly or through agreement with a local or regional agency. It also provides $40 million in one-time General Fund resources for Clean California litter abatement and $7.2 million in one-time State Highway Account funding for Caltrans Generative AI safety and mobility initiatives.

LA28

The Adopted Budget provides $96.5 million in one-time funding for Exposition Park utility replacements and site improvements, including $76 million General Fund and $20.5 million from the Exposition Park Improvement Fund. The work addresses deferred maintenance, code compliance, accessibility, and increased patronage for the 2028 Games. It also provides $5 million in one-time General Fund resources to the California Arts Council for LA28 arts and cultural programming. Any City benefit will depend on program guidelines and awards, which are currently being developed and expected to be released in the coming months.

Housing and Homelessness

The Adopted Budget provides $500 million for enhanced state low-income housing tax credits, $200 million in one-time General Fund resources for the Multifamily Housing Program, and reappropriates $7 million for the Infill Infrastructure Grant Program. These statewide funds may support Los Angeles projects but are not direct City allocations. The Adopted Budget also provides $6.2 million in General Fund resources for Caltrans homeless encampment coordinators, which may require coordination with the City's homelessness or encampment cleanup outreach operations. The Adopted Budget also provides $890 million for Homeless Housing, Assistance Prevention Grant Program Round 7, including $500 million previously appropriated and a $390 million augmentation. Initial disbursement funds must be spent by December 31, 2032, and full-allocation of funds by December 31, 2033; Round 6 funds remain available through June 30, 2029. Round 7 requires the City to provide matching funds equal to a minimum of 35 percent of the allocation for the initial disbursement, 70 percent of the cumulatively disbursement, and maintain its Pro-housing Designation.

Health and Human Services

The Adopted Budget reflects federal and state Medi-Cal changes which go into effect starting January 1, 2027. Affected residents with unsatisfactory immigration status will move from managed care to fee-for-service. Federal laws narrow federal Medicaid eligibility for certain noncitizens beginning October 1, 2026. California will maintain state-funded full-scope coverage through June 30, 2027, then plans to transition certain noncitizens to restricted-scope Medi-Cal. Changes to Medi-Cal may reduce a number of emergency medical transport reimbursements, however the fiscal impact is unknown at this time.

Public Safety

The Adopted Budget provides approximately $60 million for the California Violence Intervention and Prevention (CalVIP) program in 2026-27. The City has received a Cohort 5 award for April 2026 through September 2029. The Adopted Budget also provides $50 million in one-time General Fund resources for Proposition 36, which enacts stricter penalties for repeat theft and drug crimes alongside a "treatment-mandated felony" process which is expected to increase jail and prison populations. In response to anticipated need as a result of Proposition 36 the Adopted Budget includes funding to assist with pretrial services, behavioral health treatment, and staffing to support the increase judicial workload.

Environmental Protection and Community Air Quality

The Adopted Budget provides $70 million in 2026-27 and 2027-28 for cleanup of residential properties contaminated by the former Exide facility in Vernon, $150 million for the Community Air Protection Program, and $135.5 million for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project. These statewide programs may support eligible City clean transportation and air quality projects, but are not direct City allocations.

This Office will continue to monitor the state budget and provide updates in future Financial Status Reports.

5. AMERICAN RESCUE PLAN ACT – STATE AND LOCAL FISCAL RECOVERY FUNDS
No Recommendation

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) into law establishing the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund (SLFRF). The intent of these funds is to provide support to state, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

The SLFRF provided the City with approximately $1.28 billion in recovery funds. On May 18, 2021, the City received the first tranche of SLFRF totaling $639,450,464. The City moved the first tranche of SLFRF funding into the General Fund revenue, which allowed the City to balance the 2020-21 General Fund budget without drawing on reserves or deficit borrowing. The City received the second tranche of SLFRF of $639,450,464 on June 3, 2022. The 2021-22 Budget also treated those funds as General Fund revenue.

The CAO is responsible for administering the SLFRF funds and for preparing all required reports for the U.S. Treasury on behalf of the City. This Office submitted the nineteenth quarterly Project and Expenditures Report by the June 30, 2026, due date. In this report, the CAO identified eligible spending of approximately $4.29 million from April 1, 2026 through June 20, 2026, bringing the total spending to date of approximately $1.28 billion. The City must expend all grant funds by December 31, 2026.

The status of the SLFRF as of June 2026 is provided in the following table:

Total SLFRF Award (amounts in millions)	**$ 1,278.90**	

SLFRF Expenditures by Type as of 6/30/26	**Totals**	**% of total SLFRF Award**
Government Services Expenditures	$ 799.96	62.55%
"Stand Alone Project" Expenditures	$ 475.27	37.16%
Total Expenditures Reported	**$ 1,275.23**	**99.71%**
Unexpended SLFRF as of 6/30/26	**Totals**	**% of total SLFRF Award**
Budgeted SLFRF Allocated to Stand-Alone Projects	$ 3.67	0.29%
Total SLFRF Remaining Balance	**$ 3.67**	**0.29%**

The CAO is coordinating with recipient departments to finalize SLFRF projects, verify the submission of all deliverables, and settle unpaid invoices. The office expects to fully expend all remaining funds by December 31, 2026.

6. FEE WAIVERS FOR PLAN CHECK AND PERMIT FEES

On July 16, 2026, the Council and Mayor adopted plan check and permit fee waivers associated with the reconstruction of private property damaged or destroyed as a result of the January 2025 wildfires (C.F. 25-0006-S57). These waivers apply to all structures regardless of the rebuild or repair scale up to the amount attributable to 110 percent of the original footprint, with an aggregate cap of $90 million for three years. These waivers are front-funded by the Building and Safety Building and Permit Enterprise Fund, to be reimbursed by the General Fund over the next three years up to $30 million per year. This Office was instructed to provide updates on the amount of fees waived. As of September 2026, the City has suspended $23.75 million in fee waivers as follows:

Plan Check/Permit Fee	**Amount**
Building and Safety Building Permit Fund	$ 17,304,872
E.Q. Instrumentation	80,366
Other Funds	6,361,502
Total:	**$23,746,740**

The Department is currently working on a methodology to identify how much of the $23.75 million suspended fees are eligible to be waived. The Department will provide updates in future FSRs.

Bryan Oh

Bryan Oh, Finance Specialist IV

APPROVED:

Ben Ceja, Assistant City Administrative Officer

MWS:BC:JL:BYO:01270024c

Attachments

2025-26 Adopted and Revised General Fund Revenue
Preliminary Final Receipts through June 2026
(Thousand Dollars)

	Adopted Budget	Revised Budget	Receipts Through June	Variance from Adopted	Variance from Revised	Comments
Property Tax	$2,839,082	$2,850,970	$2,851,879	$12,797	$908	Lower supplemental receipts (-$3.3m) and higher refunds (-$3.0m) were offset by higher secured ($6.8m), redemption ($0.2m) and miscellaneous receipts ($0.2m).
Property Tax Ex-CRA Inc.	172,622	151,497	150,650	(21,972)	(847)	June tax increment receipts fell below the County's April estimate.
Utility Users Tax	702,520	746,010	748,510	45,990	2,500	EUT ended $5.9m above the revised plan and CUT $0.9m above. Gas users tax ended -$4.3m below the revised plan.
Department receipts (LPFF and reimbursements)	1,644,974	1,669,876	1,717,980	73,006	48,104	Excess receipts include $41.4m in Measure A receipts subsequently directed towards interim appropriations and $35.0m in ambulance billing receipts above the revised plan, offset by various shortfalls due to delayed payments, vacancies and insufficient fund balances.
Business Tax	825,000	904,470	908,626	83,626	4,156	Surplus includes $3.6m from non-cannabis activity and $0.6m from cannabis related activities.
Sales Tax	647,485	670,670	672,346	24,861	1,676	Receipts are above plan which may be partly due to increasing inflation.
Documentary Transfer Tax	193,702	193,128	195,419	1,717	2,291	Surplus attributed to continuing improvement in the real estate market.
Power Revenue Transfer	227,943	225,782	225,782	(2,161)	-	The DWP adopted budget transfer is $219.9m. The actual transfer amount may vary according to FY26 Power Revenue Fund operating income.
Transient Occupancy Tax	314,990	304,070	309,768	(5,222)	5,698	Hotel and short-term rental receipts ended $4.2m and $1.5m above the revised budget, respectively.
Parking Fines	108,400	125,600	132,413	24,013	6,813	The revised budget assumed $103.6m in ticket issuance and $22.0m in ABLE revenue. Issuance receipts ended $1.3m above revised and ABLE receipts $5.5m, inclusive of $2.1m in prior year receipts.
Parking Occupancy Tax	141,336	147,400	150,349	9,013	2,949	Year-end surplus attributed to May and June receipts that exceeded the revised budget.
Franchise Income	144,103	140,974	139,052	(5,051)	(1,922)	Natural gas franchise ended -$2.2m below the revised budget, partially offset by $0.3m in solid waste franchise receipts.
State Motor Vehicle License Fees	6,146	5,960	5,960	(186)	-	
Grant Receipts	46,831	42,931	41,761	(5,070)	(1,170)	Shortfall attributed to $11.2m of FEMA receipts redirected to special funds and proprietary departments.
Tobacco Settlement	9,555	9,064	8,557	(998)	(507)	
Residential Development Tax	3,580	5,905	5,804	2,224	(101)	
Special Parking Revenue Transfer	36,647	19,544	19,544	(17,103)	-	
Subtotal General Fund	**$8,064,916**	**$8,213,852**	**$8,284,401**	**$219,485**	**$70,549**	
					-	
Interest Income	84,340	74,000	76,182	(8,158)	2,182	
Budget Stabilization Fund	29,000	29,000	29,000			
Total General Fund	**$8,178,256**	**$8,316,852**	**$8,389,583**	**$211,327**	**$72,730**	

2026-27 Adopted General Fund Revenue
Through September
(Thousand Dollars)

	Adopted Budget	Plan Through September	Receipts Through September	Receipts as Percent of Budget	September Plan Variance	Comments on Variance from September Plan
Property Tax	$2,948,660	$135,798	$163,448	5.5%	$27,650	Excess revenue represents secured receipts ($12.6m) and redemptions ($7.9m) from the prior tax period, likely attributed to the payment of deferred taxes for Palisade fire impacted properties. Higher miscellaneous ($1.7m) and unsecured receipts ($2.2m), lower refund activity ($3.4m). The County Assessor has reported 4.4% AV growth for the City compared to 3.9% assumed in the adopted budget.
Property Tax Ex-CRA Inc.	155,613	-	-	0.0%	-	
Utility Users Tax*	772,790	183,505	204,464	26.5%	20,959	Surplus entirely attributed to EUT which is $24.4m above plan. Gas users tax is -$2.9m below plan. CUT is-$0.6m below, *inclusive receipts still pending in LATax.
Department receipts (LPFF and reimbursements)	1,850,868	295,700	322,409	17.4%	26,709	Current surplus attributed to remittances from special funds ahead of plan, delayed 2025-26 reimbursements, and $11.0m identified for interim appropriations.
Business Tax	910,950	62,870	72,519	8.0%	9,649	Surplus attributed to receipts from non-cannabis activity. Cannabis business tax receipts are at plan.
Sales Tax	681,500	169,430	189,672	27.8%	20,242	Receipts are above plan due to the impact of supply constraints and fuel costs on inflation.
Documentary Transfer Tax	203,006	51,881	52,100	25.7%	219	Receipts are near plan. There is downside risk with increasing mortgage interest rates.
Power Revenue Transfer	219,662	-	-	0.0%	-	The DWP adopted budget transfer is $219.9m. The actual transfer amount may vary according to FY26 Power Revenue Fund operating income.
Transient Occupancy Tax	313,500	85,570	88,661	28.3%	3,091	Hotel and short-term rental receipts are $0.6m and $2.5m above plan respectively.
Parking Fines	125,600	32,600	26,026	20.7%	(6,574)	Citation receipts are near plan. Shortfall represents ABLE receipts pending transfer to the GF.
Parking Occupancy Tax	151,910	37,970	38,587	25.4%	617	Monthly receipts are variable.
Franchise Income	130,274	33,240	29,482	22.6%	(3,758)	Shortfall attributed to natural gas franchise revenue.
State Motor Vehicle License Fees	5,960	5,960	6,329	106.2%	369	The single annual payment (remitted early) is $0.4m above the adopted estimate.
Grant Receipts	21,085	506	3,184	15.1%	2,677	Departmental grant receipts ahead of plan includes prior-year grant reimbursements.
Tobacco Settlement	9,064	-	-	0.0%	-	
Residential Development Tax	4,740	1,185	1,597	33.7%	412	Monthly receipts are variable. Receipts are near plan.
Special Parking Revenue Transfer	12,215	-	-	0.0%	-	
Subtotal General Fund	**$8,517,397**	**$1,096,215**	**$1,198,479**	**14.1%**	**$102,264**	
Interest Income	80,000	41,851	48,274	60.3%	6,423	Monthly receipts are variable. Interest may be owed to special funds.
Total General Fund	**$8,597,397**	**$1,138,067**	**$1,246,754**	**14.5%**	**$108,687**	

ATTACHMENT 2
STATUS OF RESERVE FUND AS OF 10/20/26

Council File No.	Item Description		Amount
Balance Available, 7/1/2026		$	617,490,651.86
Less: Emergency Reserve Account		$	236,428,000.00
Contingency Reserve Account 7/1/2026		$	381,062,651.86
Loan Repayment and Other Receipts			12,589,019.85
Contingency Reserve Account		$	393,651,671.71
Loans and Transfers Approved to Date			
26-0619	Consolidated Plan Grants Loan		(10,000,000.00)
08-3292-S1	Department of Transportation Trust Fund for Panorama City Traffic Calming and Safety Improvements		(60,000.00)
Loans and Transfers Approved to Date Subtotal		$	(10,060,000.00)
Proposed Loans and Transfers			
First FSR	City Administrative Officer Contractual Services Reappropriation		(350,000.00)
Proposed Loans and Transfers Subtotal		$	(350,000.00)
	Contingency Reserve Available Balance as of 10/20/2026	**$**	**383,241,671.71**
Total Emergency and Contingency Reserve Fund		**$**	**619,669,671.71**

ATTACHMENT 2A
SCHEDULE OF REVERSIONS TO RESERVE AND OTHER FUNDS
FYE JUNE 30, 2026

Dept No.	Department Name	Balance	Reversion to Other Special Funds	Reversion to Reserve Fund
02	Aging	247,197.87	23,327.95	223,869.92
06	Animal Services	476,055.21	77,722.65	398,332.56
08	Building and Safety	17,815,751.40	17,561,599.36	254,152.04
10	City Administrative Officer	5,021,904.04	578,906.31	4,442,997.73
11	Public Accountability	1,299,831.69	0.00	1,299,831.69
12	City Attorney	816,461.23	0.00	816,461.23
13	Cannabis Regulation	1,498,845.53	1,498,845.53	0.00
14	City Clerk	1,096,768.73	105,000.00	991,768.73
15	Civil, Human Rights and Equity	185,681.41	0.00	185,681.41
17	City Ethics	191,198.33	191,198.33	0.00
19	Youth Development	99,224.89	0.00	99,224.89
21	Community Investment for Families	3,727,526.57	925.72	3,726,600.85
22	Economic and Workforce	810,150.08	74,594.23	735,555.85
26	Controller	1,000,203.41	58,917.36	941,286.05
28	Council	16,470,952.17	0.00	16,470,952.17
30	Cultural Affairs	4,877,210.45	4,840,304.45	36,906.00
32	Information Technology Agency	5,401,802.68	469,354.35	4,932,448.33
33	El Pueblo	477,405.94	435,766.93	41,639.01
35	Emergency Management	9,320.44	0.00	9,320.44
36	Employee Relations	69,326.52	0.00	69,326.52
38	Fire	28,551,851.12	2,181,396.00	26,370,455.12
39	Finance	1,292,001.42	0.00	1,292,001.42
40	General Services	91,863,094.52	43,741,885.86	48,121,208.66
43	Housing	1,532,228.10	608,474.78	923,753.32
46	Mayor	11,557,413.87	0.00	11,557,413.87
47	Neighborhood Empowerment	33,358.09	21,500.70	11,857.39
48	City Tourism	142,579.86	142,579.86	0.00
53	Capital Finance	1,217,958.83	500,000.00	717,958.83
54	Capital Improvement	80,036,146.49	7,824,306.44	72,211,840.05
56	General City Purposes	64,995,913.70	9,550,403.50	55,445,510.20
57	Petroleum Products	7,082.81	0.00	7,082.81
58	Unappropriated Balance	32,771,782.84	0.00	32,771,782.84
59	Liability Claims	12,276,135.98	0.00	12,276,135.98
60	Water and Electricity	0.00	0.00	0.00
61	Human Resources	2,791,980.04	0.00	2,791,980.04
62	General	425,537.00	0.00	425,537.00
63	Leasing	1,977,128.09	197,850.98	1,779,277.11
65	Disability	501,859.58	487,747.88	14,111.70
66	Personnel	277,803.59	95,680.42	182,123.17
68	City Planning	2,177,092.95	1,688,188.49	488,904.46
70	Police	11,110,591.92	543,325.00	10,567,266.92
74	PW Board Office	6,901,932.50	2,737,881.91	4,164,050.59
76	PW Bu of Contract Admin	3,199,096.54	3,058,175.41	140,921.13
78	PW Bu of Engineering	5,961,374.05	5,849,652.89	111,721.16
82	PW Bu of Sanitation	26,958,386.24	23,832,290.12	3,126,096.12
84	PW Bu of St Lighting	9,811,359.56	9,491,919.69	319,439.87
86	PW Bu of St Services	14,730,886.12	13,958,186.49	772,699.63
87	Zoo	460,862.37	460,862.37	0.00
94	Transportation	14,582,957.51	12,325,286.78	2,257,670.73
Total		**489,739,214.28**	**165,214,058.74**	**324,525,155.54**

Total 2025-26 Reserve Fund Year-End Reversion	324,525,155.54
2025-26 Reserve Fund Reversion Estimated in the 2026-27 Budget	338,775,000.00
Difference between Actual and Estimated Reversion	**(14,249,844.46)**

ATTACHMENT 3

FY 2026-27 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS - AMENDED

REQUESTING DEPARTMENT	TRANSFER FROM FUND/ACCOUNT	AMOUNT	TRANSFER TO FUND/ACCOUNT	AMOUNT
City Administrative Officer	Fund 100/10, City Administrative Officer		Fund 100/10, City Administrative Officer	
DWP Disaster Assistance	RSC 4596, Service to Water and Power	$ 304,039.50	003040, Contractual Services	$ 304,039.50
Insurance Reimbursements	46S/10, Insurance Premiums Special Fund		46S/10, Insurance Premiums Special Fund	
	RSC 5301, Reimbursement from Other Funds	$ 9,720.59	100230, Insurance and Bonds Premiums	$ 1,202,719.39
	RSC 4595, Service to Airports	1,046,964.80		
	RSC 5188, Miscellaneous Revenue-Others	146,034.00		
	Subtotal:	$ 1,202,719.39		
City Tourism	Fund 429/10, Los Angeles Convention and Visitors Bureau Trust Fund		Fund 429/10, Los Angeles Convention and Visitors Bureau Trust Fund	
2025-26 Final Payment	10C504, Unallocated	$ 698,726.00	10C475, LA Tourism and Convention Bureau	$ 698,726.00
Cultural Affairs	Fund 480/30, Arts & Cultural Facilities & Services Trust Fund		Fund 100/30, Cultural Affairs (Fund 480, 30E130)	
Murals Projects	Cash Balance	$ 303,775.00	009871, Youth and Creative Workers Mural Program	$ 303,775.00
Housing	Fund 17H/10, GOB Series 2024-A (Taxable), Prop HHH Construction Fund		Fund 100/43, Housing Department	
HHH Permanent Supportive Housing Program	RSC 4904, Interest on Pooled Invest-Bond Fds	$ 1,046,370.00	RSC 5168, Reimbursement of Prior Year Salary	$ 605,534.00
			RSC 5331, Reimbursement of Related Cost - Prior Year	440,836.00
			Subtotal	$ 1,046,370.00
LCP Tracker Technology Needs	Fund 240/43, Housing Production Revolving Fund		Fund 100/43, Housing Department (240/43, 43E143)	
	Cash Balance	$ 129,807.00	006010, Office and Administrative	$ 129,807.00
Information Technology Agency	Fund 100/32, Information Technology Agency		Fund 100/32, Information Technology Agency	
El Sereno Library Security System CSR	RSC 5301, Reimbursements from Other Funds	$ 24,527.88	001100, Hiring Hall Salaries	$ 9,450.00
			009350, Communication Services	15,077.88
			Subtotal	$ 24,527.88
Mayor	Fund 68C/46, FY22 Justice Assistance Grant Fund		Fund 68C/46, FY22 Justice Assistance Grant Fund	
Public Safety Grant	46A299, Reimbursement of General Fund Costs	$ 144,818.00	46E299, Related Costs	$ 144,818.00
	46A912, City Attorney Grant Allocation	298,127.00	46E946, Grant Management and Administration	199,173.00
	Subtotal	$ 442,945.00	46E970, LAPD	98,954.00
			Subtotal	$ 442,945.00
Homeland Security Grant	Fund 67Q/46, FY 2023 UASI Homeland Security Grant Fund		Fund 67Q/46, FY 2023 UASI Homeland Security Grant Fund	
	46C138, Fire	$ 1,699.13	46A668, Partner Jurisdiction	$ 24,264.00
	46C170, Police	121,644.94	46A938, LAFD Grant Allocation	151,699.13
	46C299, Reimbursement of General Fund Costs	22,352.30	46A946, Grant Management & Administration	115,946.65
			46A950, LA/LB Region	300,000.00
			Subtotal	$ 591,909.78
	Fund 100/46, Mayor (67Q/46, 46E146)			
	001020, Grant Reimbursed	$ 446,213.41		
	Subtotal	$ 591,909.78		
Public Works - Board	Fund 65K/50, Climate Equity Fund		Fund 100/74, Board of Public Works (65K/50, 50E174)	
Amortization Study	50C174, Board of Public Works	$ 156,200.00	003040, Contractual Services	$ 156,200.00
Transportation	Fund 840/94, Dept Transportation Trust		Fund 840/94, Dept Transportation Trust	
Reimbursement of Traffic Control Services - Venues	RSC 4658, Special Events	$ 373,583.90	TBD, Special Event Venue Overtime	$ 373,583.90
	Fund 840/94, Dept Transportation Trust		Fund 100/94, Transportation (840/94, 94E194)	
	TBD, Special Event Venue Overtime	$ 373,583.90	001090, Salaries Overtime	$ 373,583.90
	Fund 840/94, Dept Transportation Trust		Fund 840/94, Dept Transportation Trust	
Reimbursement of Traffic Control Services - Special Events	RSC 4355, Transportation Control Services	$ 1,194,583.09	TBD, DOT Traffic Control Overtime	$ 1,194,583.09

ATTACHMENT 3

FY 2026-27 BUDGET ADJUSTMENTS
NEW APPROPRIATIONS - AMENDED

REQUESTING DEPARTMENT	TRANSFER FROM FUND/ACCOUNT	AMOUNT	TRANSFER TO FUND/ACCOUNT	AMOUNT
	Fund 840/94, Dept Transportation Trust TBD, DOT Traffic Control Overtime	$ 1,194,583.09	Fund 100/94, Transportation (840/94, 94E194) 001090, Salaries Overtime	$ 1,194,583.09
Vincent Thomas Bridge Deck Replacement Project	Fund 840/94, Dept Transportation Trust RSC 3364, State Highway Agreements	$ 5,200,000.00	Fund 840/94, Dept Transportation Trust TBD, SR-47 Vincent Thomas Bridge	$ 5,200,000.00
	Fund 840/94, Dept Transportation Trust TBD, SR-47 Vincent Thomas Bridge	$ 5,200,000.00	Fund 100/94, Transportation (840/94, 94E194) 001090, Salaries Overtime	$ 5,200,000.00
Traffic Control Services for Event Venues Reimbursement	Fund 840/94, Dept Transportation Trust 94C194, Transportation	$ 1,761,965.62	Fund 840/94, Dept Transportation Trust TBD, Special Event Venue Overtime	$ 1,761,965.62
	Fund 840/94, Dept Transportation Trust TBD, Special Event Venue Overtime	$ 1,761,965.62	Fund 100/94, Transportation (840/94, 94E194) 001090, Salaries Overtime	$ 1,761,965.62
Salary Overpayment Reimbursement	Fund 840/94, Dept Transportation Trust RSC 5188, Micellaneous Revenue	$ 5,601.17	Fund 100/94, Transportation (840/94, 94E194) 001010, Salaries General	$ 5,601.17
Open Streets Program Funding Swap	Fund 540/94, Proposition C Antigridlock Imp 94ED10, Open Streets Program	$ 2,435,225.00	Fund 540/94, Proposition C Antigridlock Imp TBD, Traffic Signal Supplies	$ 2,435,225.00
	Fund 59C/94, Measure M Local Return Special Fund 94E800, Traffic Signal Supplies	$ 2,435,225.00	Fund 59C/94, Measure M Local Return Special Fund TBD, Open Streets Program	$ 2,435,225.00
TOTAL ALL DEPARTMENTS AND FUNDS		**$ 26,837,355.94**		**$ 26,837,335.94**

ATTACHMENT 4

FY 2026-27 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

	TRANSFER FROM		TRANSFER TO	
REQUESTING DEPARTMENT	**FUND/ACCOUNT**	**AMOUNT**	**FUND/ACCOUNT**	**AMOUNT**
City Attorney	Fund 100/12, City Attorney		Fund 100/12, City Attorney	
Overtime Overspending	001010, Salaries General	$ 273,261.00	001090, Overtime General	$ 273,261.00
Community Investment for Families	Fund 100/21, Community Investment		Fund 100/21, Community Investment	
Planning and Relocation	003040, Contractual Services	$ 150,000.00	001070, Salaries, As-Needed	$ 50,000.00
			006010, Office and Administrative	100,000.00
			Subtotal	$ 150,000.00
Council	Fund 100/28, Council		Fund 100/28, Council	
Staffing Costs	001010, Salaries General	$ 1,075,000.00	002130, Travel	$ 75,000.00
			003040, Contractual Services	100,000.00
			006010, Office and Administrative	900,000.00
			Subtotal	$ 1,075,000.00
Fire	Fund 100/38, Fire		Fund 100/38, Fire	
As Needed Employees	001010, Salaries General	$ 264,000.00	001070, Salaries, As-Needed	$ 264,000.00
Civilian Overtime	Fund 100/38, Fire		Fund 100/38, Fire	
	001010, Salaries General	$ 2,000,000.00	001090, Overtime General	$ 2,000,000.00
Medical Director Consulting Services	Fund 100/38, Fire		Fund 100/38, Fire	
	001010, Salaries General	$ 280,000.00	003040, Contractual Services	$ 280,000.00
Digitech Invoices	Fund 100/38, Fire		Fund 100/38, Fire	
	001012, Salaries Sworn	$ 14,000,000.00	003040, Contractual Services	$ 14,000,000.00
CUPA Data Management Software	Fund 100/38, Fire		Fund 100/38, Fire	
	001012, Salaries Sworn	$ 1,075,095.00	006010, Office and Administrative	$ 1,075,095.00
UFLAC Wellness Program Reimbursement	Fund 100/38, Fire		Fund 100/38, Fire	
	001012, Salaries Sworn	$ 750,000.00	006010, Office and Administrative	$ 750,000.00
Finance	Fund 100/39, Office of Finance		Fund 100/39, Office of Finance	
Overtime Costs	001010, Salaries General	$ 154,000.00	001090, Overtime General	$ 154,000.00
Public Works - Contract Administration	Fund 100/76, Public Works Contract Administration		Fund 100/76, Public Works Contract Administration	
Hiring Hall Overspending - General Fund	001010, Salaries General	$ 527,000.00	001100, Hiring Hall Salaries	$ 352,000.00
	001090, Salaries Overtime	75,000.00	001120, Benefits Hiring Hall	175,000.00
	Subtotal	$ 602,000.00	001190, Overtime Hiring Hall	75,000.00
			Subtotal	$ 602,000.00
Hiring Hall Overspending - Special Funds	Fund 100/76, Public Works Contract Administration (761/50)		Fund 100/76, Public Works Contract Administration (761/50)	
	001010, Salaries General	$ 107,000.00	001100, Hiring Hall Salaries	$ 67,000.00
	001090, Salaries Overtime	10,000.00	001120, Benefits Hiring Hall	40,000.00
	Subtotal	$ 117,000.00	001190, Overtime Hiring Hall	10,000.00
			Subtotal	$ 117,000.00
Public Works - Engineering	Fund 100/78, Bureau of Engineering (761/50)		Fund 100/78, Bureau of Engineering (761/50)	
Salaries As-Needed	001010, Salaries General	$ 300,000.00	001070, Salaries, As-Needed	$ 300,000.00
	Fund 100/78, Bureau of Engineering (540/94)		Fund 100/78, Bureau of Engineering (540/94)	
	001010, Salaries General	$ 31,000	001070, Salaries, As-Needed	$ 31,000
	Subtotal	$ 331,000	Subtotal	$ 331,000
Public Works - Sanitation	Fund 100/82, Bureau of Sanitation (Fund 761/50)		Fund 100/82, Bureau of Sanitation (Fund 761/50)	
SCMC Salaries and Overtime Overspending	001010, Salaries General (SCMC)	$ 80,000.00	001070, Salaries, As-Needed (SCMC)	$ 50,000.00
			001090, Overtime General (SCMC)	30,000.00
			Subtotal	$ 80,000.00
MFBI Overtime General Overspending	Fund 100/82, Bureau of Sanitation (Fund 50D/50)		Fund 100/82, Bureau of Sanitation (Fund 50D/50)	
	001010, Salaries General (MFBI)	$ 275,000.00	001090, Overtime General (MFBI)	$ 275,000.00
Measure W Overspending	Fund 100/82, Bureau of Sanitation (Fund 60W/50)		Fund 100/82, Bureau of Sanitation (Fund 60W/50)	
	001010, Salaries General (MWLRF)	$ 375,000.00	001070, Salaries, As-Needed (MWLRF)	$ 125,000.00

ATTACHMENT 4

FY 2026-27 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN ACCOUNTS WITHIN DEPARTMENTS AND FUNDS

	TRANSFER FROM		TRANSFER TO	
REQUESTING DEPARTMENT	**FUND/ACCOUNT**	**AMOUNT**	**FUND/ACCOUNT**	**AMOUNT**
			001090, Overtime General (MWLRF)	150,000.00
			003340, Water and Electricity (MWLRF)	100,000.00
			Subtotal	$ 375,000.00
SCMO Overspending	Fund 100/82, Bureau of Sanitation (Fund 760/50)		Fund 100/82, Bureau of Sanitation (Fund 760/50)	
	001010, Salaries General (SCMO)	5,000,000.00	001070, Salaries Ad-Needed (SCMO)	$ 400,000.00
			001090, Overtime General (SCMO)	4,000,000.00
			001100, Hiring Hall Salaries (SCMO)	400,000.00
			001120, Benefits Hiring Hall (SCMO)	200,000.00
			Subtotal	$ 5,000,000.00
Public Works - Street Services	Fund 100/86, Bureau of Street Services (Fund 51Q/94)		Fund 100/86, Bureau of Street Services (Fund 51Q/94)	
Access Ramps - Measure R	001010, Salaries General	$ 1,619,830.00	001100, Hiring Hall Salaries	$ 900,000.00
			001120, Benefits Hiring Hall	700,000.00
			001190, Overtime Hiring Hall	19,830.00
			Subtotal	$ 1,619,830.00
Access Ramps - Measure M	Fund 100/86, Bureau of Street Services (Fund 59C/94)		Fund 100/86, Bureau of Street Services (Fund 59C/94)	
	001010, Salaries General	$ 126,047.00	001100, Hiring Hall Salaries	$ 50,000.00
			001120, Benefits Hiring Hall	50,000.00
			001190, Overtime Hiring Hall	26,047.00
			Subtotal	$ 126,947.00
Destination Crenshaw Mitigation Project	Fund 100/86, Bureau of Street Services (Fund 206/50)		Fund 100/86, Bureau of Street Services (Fund 206/50)	
	001010, Salaries General	$ 478,121.00	001090, Overtime General	$ 311,468.00
			006020, Operating Supplies	166,653.00
			Subtotal	$ 478,121.00
Transportation	Fund 100/94, Transportation		Fund 100/94, Transportation	
FY27 ESRI Subscription	001070, Salaries, As-Needed	$ 48,596.60	003040, Contractual Services	$ 48,596.60
	Fund 100/94, Transportation		Fund 100/94, Transportation	
	001010, Salaries General (51Q/94)	48,596.00	003040, Contractual Services (51Q/94)	48,596.00
	001010, Salaries General (540/94)	48,596.00	003040, Contractual Services (540/94)	48,596.00
	Subtotal	$ 145,788.60	Subtotal	$ 145,788.60
TOTAL ALL DEPARTMENTS AND FUNDS		**$ 29,171,142.60**		**$ 29,171,142.60**

ATTACHMENT 5

FY 2026-27 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM FUND/ACCOUNT	AMOUNT	TRANSFER TO FUND/ACCOUNT	AMOUNT
City Attorney	Fund 17H/10, GOB Series 2024-A Taxable HHH Construction Fund		Fund 100/12, City Attorney (17H/10, TBD)	
Prop HHH Reimbursement	RSC 4904, Interest on Pooled Invest-Bond Funds	$ 85,499.57	RSC 5301, Reimbursement from Other Funds	$ 59,095.64
			Fund 100/12, City Attorney (17H/10, TBD)	
			RSC 5361, Related Cost Reimbursement - Others	$ 26,403.93
			Subtotal	$ 85,499.57
Community Investment	Fund 67A/02, Funds for other Aging Grants and Miscellaneous Programs		Fund 100/21, Community Investment (67A/21, 21E121)	
Modernizing the Older Californians Act Nutrition Services	02A102, Aging	$ 30,241.94	001010, Salaries, General	$ 90,146.96
	02C102, Aging	59,905.02		
	Subtotal	$ 90,146.96		
Council	Fund 53P/28, State AB 1290 City Fund		Fund 100/28, Council	
Council District 9 Staffing	281209, CD 9 Redevelopment Fund	$ 2,660,000.00	001070, Salaries As-Needed	$ 2,660,000.00
Council District 10 Staffing	Fund 53P/28, State AB 1290 City Fund		Fund 100/28, Council	
	281210, CD 10 Redevelopment Fund	$ 250,000.00	001070, Salaries As-Needed	$ 250,000.00
Council District 4 Enforcement	Fund 100/56, General City Purposes		Fund 100/70, Police	
	000A28, Council Projects	$ 108,611.00	001092, Overtime Sworn	$ 108,611.00
Cultural Affairs	Fund 480/30, Arts & Cultural Facilities & Services Trust Fund		Fund 100/30, Cultural Affairs (Fund 480, 30E130)	
Prior Year Projects	Cash Balance	$ 747,369.00	009494, LA Cultural Tourism & Promotion	$ 17,369.00
			009840, LACMA/Watts Towers Conservation	450,000.00
			009819, Sony Pictures Media Art Program	280,000.00
			Subtotal	$ 747,369.00
Fire	Fund 41L/38, Unified Program Trust Fund		Fund 100/40, General Services	
Mike Reddy Room Renovation	38K201, CUPA AEO Penalties	$ 89,770.00	001101, Hiring Hall Construction	$ 49,034.00
			001121, Benefits Hiring Hall Construction	32,690.00
			003180, Construction Materials	8,046.00
			Subtotal	$ 89,770.00
BuildLA IT Project	Fund 58V/08, Development Services Trust Fund		Fund 100/38, Fire	
	08C138, Fire Department	$ 375,000.00	003040, Contractual Services	$ 375,000.00
Housing	Fund 100/43, Housing Department (49N/43, 43C143)		Fund 100/43, Housing Department (49N/43, 43E143)	
REAP 2.0 Grant Reappropriations	001010, Salaries, General	$ 128,740.06	001010, Salaries, General	$ 219,718.32
	Fund 49N/43, Small Grants and Awards		Fund 49N/43, Small Grants and Awards	
	43C299, Reimbursement of General Fund Costs	$ 123,936.01	43E299, Reimbursement of General Fund Costs	$ 32,957.75
	Subtotal	$ 252,676.07	Subtotal	$ 252,676.07
	Fund 100/43, Housing Department		Fund 440/43, Rent Stabilization Trust Fund	
REAP Tenant and Landlord Outreach Program	001010, Salaries, General (440/43, 43E143)	$ 1,081.00	43E228, Rent and Code Outreach Program	$ 1,500.00
	001010, Salaries, General (41M/43, 43E143)	107,019.31		
	Subtotal	$ 108,100.31	Fund 41M/43, Code Enforcement Fee Fund	
			43E228, Rent and Code Outreach Program	$ 148,500.00
	Fund 440/43, Rent Stabilization Trust Fund		Subtotal	$ 150,000.00
	43E299, Reimbursement of General Fund Costs	$ 419.00		
	Fund 41M/43, Code Enforcement Fee Fund			
	43E299, Reimbursement of General Fund Costs	$ 41,480.69		
	Subtotal	$ 150,000.00		
Department-Wide Part-Time Staff Support Salaries	Fund 100/43, Housing Department		Fund 100/43, Housing Department	
	001010, Salaries, General (10D/43)	$13,617.84	001070, Salaries, As-Needed (10D/43)	$17,876.14
	001010, Salaries, General (440/43)	39,288.66	001070, Salaries, As-Needed (440/43)	54,516.94
	001010, Salaries, General (64R/43)	26,987.61	001070, Salaries, As-Needed (64R/43)	35,426.63
	001010, Salaries, General (66M/43)	36,009.19	001070, Salaries, As-Needed (66M/43)	47,269.27
	001010, Salaries, General (67W/43)	29,104.10	001070, Salaries, As-Needed (67W/43)	40,384.85
	001010, Salaries, General (815/43)	44,542.72	001070, Salaries, As-Needed (815/43)	58,471.23
	Subtotal	$189,550.12	Subtotal	$253,945.06
	Fund 10D/43, Accessible Housing Fund			
	43E299, Reimbursement of General Fund Costs	$4,258.30		
	Fund 440/43, Rent Stabilization Trust Fund			
	43E299, Reimbursement of General Fund Costs	$15,228.28		

ATTACHMENT 5

FY 2026-27 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM FUND/ACCOUNT	AMOUNT	TRANSFER TO FUND/ACCOUNT	AMOUNT
	Fund 64R/43, SB 2 Permanent Local Housing Allocation Fund			
	43E299, Reimbursement of General Fund Costs	$8,439.02		
	Fund 66M/43, House LA Fund			
	43E299, Reimbursement of General Fund Costs	$11,260.08		
	Fund 67W/43, Just Cause Enforcement Fee Trust Fund			
	43E299, Reimbursement of General Fund Costs	$11,280.75		
	Fund 815/43, Municipal Housing Finance Fund			
	43E299, Reimbursement of General Fund Costs	$13,928.51		
	Subtotal	$253,945.06		
Yearly Outsourced Scanning Services	Fund 100/43, Housing Department		Fund 100/43, Housing Department	
	001010, Salaries, General (440/43)	$ 69,946.31	006010, Office and Administrative (440/43)	$ 97,057.50
	001010, Salaries, General (67W/43)	69,946.31	006010, Office and Administrative (67W/43)	97,057.50
	Subtotal	$139,892.62	Subtotal	$194,115.00
	Fund 440/43, Rent Stabilization Trust Fund			
	43E299, Reimbursement of General Fund Costs	$27,111.19		
	Fund 67W/43, Just Cause Ordinance Enforcement Fund			
	43E299, Reimbursement of General Fund Costs	$27,111.19		
	Subtotal	$194,115.00		
LACAHSA Cloud Services and Software Subscriptions	Fund 69A/43 Los Angeles County Affordable Housing Solutions Agency Grant Fund		Fund 100/43 Housing (43E143)	
	43ED68 Technical Assistance - LACAHSA	$30,000.00	003040, Contractual Services	$20,000.00
			006010, Office and Administrative	$10,000.00
			Subtotal	$30,000.00
Mayor	Fund 100/46, Mayor		Fund 100/10, City Administrative Officer	
Office of Major Events	001070, Salaries, As-Needed	$ 146,266.13	001010, Salaries General	$ 146,266.13
Securing the Cities Fund (Special Fund)	Fund 64G/46, FY 2020 Securing the Cities Fund		Fund 64G/46, FY 2020 Securing the Cities Fund	
	46T946, Grant Management & Administration	$ 12.11	46T730, Equipment	$ 12.11
	46V946, Grant Management & Administration	1,140.07	46V668, Partner Jurisdiction	1,140.07
	46W730, Equipment	56,000.00	46W668, Partner Jurisdiction	56,000.00
	46A730, Equipment	118,659.00	46A668, Partner Jurisdiction	118,659.00
	Subtotal	$ 175,811.18	Subtotal	$ 175,811.18
Securing the Cities Fund (General Fund)	Fund 64G/46, FY 2020 Securing the Cities Fund		Fund 100/70, Police (64G/46, 46E170)	
	46A730, Equipment	$ 175,000.00	001092, Overtime Sworn	$ 175,000.00
State Homeland Security Program Grant Fund	Fund 69C/46, FY 2024 State Homeland Security Program Grant Fund		Fund 100/38, Fire (69C/46, 46E138)	
	46C138, Fire	$ 50,000.00	003040, Contractual Services	$ 43,972.00
			006020, Operating Supplies	6,028.00
			Subtotal	$ 50,000.00
Police	Fund 41Y/70, Standards and Training for correction Fund		Fund 100/70, Police (41Y/70,70E170)	
Standards and Training for Corrections	70C219, STD & Training Correction	$ 26,743.87	001090, Overtime General	$ 43,870.00
	70Y207, STD & Training Correction	17,126.13		
	Subtotal	$ 43,870.00		
Booking Innovation Team (C.F. 26-0500)	Fund 105/10, Innovation Fund		Fund 100/70, Police (105/10, 10E170)	
	10C170, Police	$ 30,000.00	003040, Contractual Services	$ 30,000.00
2021 Connect and Protect (C.F. 22-0282)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police (339/70, 70E170)	
	70C170, Police	$ 23,244.61	001092, Overtime Sworn	$ 23,244.61
2022 BWC - Digital Evidence Management (C.F. 22-1481-S1)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police (339/70, 70E170)	
	70C170, Police	$ 290,260.71	001092, Overtime Sworn	$ 77,823.47
	70C299, Reimbursement of General Fund Costs	4,024.62	001090, Overtime General	212,437.24
	Subtotal	$ 294,285.33		
			Fund 339/70, Police Dept Grant Fund	
			70E299, Reimbursement of General Fund Costs	$ 4,024.62
			Subtotal	$ 294,285.33

ATTACHMENT 5

FY 2026-27 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

	TRANSFER FROM		TRANSFER TO	
REQUESTING DEPARTMENT	**FUND/ACCOUNT**	**AMOUNT**	**FUND/ACCOUNT**	**AMOUNT**
2022 BWC - Training (C.F. 22-1481)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police (339/70, 70E170)	
	70C170, Police	$ 9,549.29	001092, Overtime Sworn	$ 9,549.29
	70C299, Reimbursement of General Fund Costs	812.63		
	Subtotal	$ 10,361.92	Fund 339/70, Police Dept Grant Fund	
			70E299, Reimbursement of General Fund Costs	$ 812.63
			Subtotal	$ 10,361.92
2022 Prosecuting Cold Cases with DNA (C.F. 22-1479)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police (339/70, 70E170)	
	70C170, Police	$ 51,558.59	001090, Overtime General	$ 51,558.59
	70C299, Reimbursement of General Fund Costs	2,384.21		
	Subtotal	$ 53,942.80	Fund 339/70, Police Dept Grant Fund	
			70E299, Reimbursement of General Fund Costs	$ 2,384.21
			Subtotal	$ 53,942.80
2023 Firearm Relinquishment Grant (C.F. 23-0749)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police (339/70, 70E170)	
	70C170, Police	$ 395,605.20	001092, Overtime Sworn	$ 344,637.20
	70C299, Reimbursement of General Fund Costs	49,420.51	001090, Overtime General	50,968.00
	Subtotal	$ 445,025.71		
			Fund 339/70, Police Dept Grant Fund	
			70E299, Reimbursement of General Fund Costs	$ 49,420.51
			Subtotal	$ 445,025.71
2023 Project Safe Neighborhood (C.F. 24-1606)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police (339/70, 70E170)	
	70C170, Police	$ 111,105.12	001092, Overtime Sworn	$ 111,105.12
	70C299, Reimbursement of General Fund Costs	9,242.66		
	Subtotal	$ 120,347.78	Fund 339/70, Police Dept Grant Fund	
			70E299, Reimbursement of General Fund Costs	$ 9,242.66
			Subtotal	$ 120,347.78
2024 Abby Honold (C.F. 24-1041)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police (339/70, 70E170)	
	70C170, Police	$ 183,376.85	001092, Overtime Sworn	$ 183,376.85
	70C299, Reimbursement of General Fund Costs	16,948.85		
	Subtotal	$ 200,325.70	Fund 339/70, Police Dept Grant Fund	
			70E299, Reimbursement of General Fund Costs	$ 16,948.85
			Subtotal	$ 200,325.70
2024 DNA CEBR (C.F. 25-0034)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police (339/70, 70E170)	
	70C170, Police	$ 471,452.76	001090, Overtime General	$ 471,452.76
	70C299, Reimbursement of General Fund Costs	23,226.81		
	Subtotal	$ 494,679.57	Fund 339/70, Police Dept Grant Fund	
			70E299, Reimbursement of General Fund Costs	$ 23,226.81
			Subtotal	$ 494,679.57
2024 ICAC OJJDP (C.F. 25-0015)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police (339/70, 70E170)	
	70C170, Police	$ 59,674.74	001092, Overtime Sworn	$ 49,673.11
	70C299, Reimbursement of General Fund Costs	4,145.64	001090, Overtime General	10,001.63
	Subtotal	$ 63,820.38		
			Fund 339/70, Police Dept Grant Fund	
			70E299, Reimbursement of General Fund Costs	$ 4,145.64
			Subtotal	$ 63,820.38
2024 MUHR (C.F. 25-0035)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police (339/70, 70E170)	
	70C170, Police	$ 97,168.24	001092, Overtime Sworn	$ 81,475.05
	70C299, Reimbursement of General Fund Costs	8,727.30	001090, Overtime General	15,693.19
	Subtotal	$ 105,895.54		
			Fund 339/70, Police Dept Grant Fund	
			70E299, Reimbursement of General Fund Costs	$ 8,727.30
			Subtotal	$ 105,895.54

ATTACHMENT 5

FY 2026-27 BUDGET ADJUSTMENTS
TRANSFERS BETWEEN DEPARTMENTS AND FUNDS

REQUESTING DEPARTMENT	TRANSFER FROM FUND/ACCOUNT	AMOUNT	TRANSFER TO FUND/ACCOUNT	AMOUNT
2025 Selective Traffic Enforcement Program (C.F. 25-1391)	Fund 339/70, Police Dept Grant Fund		Fund 100/70, Police (339/70, 70E170)	
	70C170, Police	$ 691,266.30	001092, Overtime Sworn	$ 662,189.63
	70C299, Reimbursement of General Fund Costs	11,391.36	001090, Overtime General	29,076.67
	Subtotal	$ 702,657.66		
			Fund 339/70, Police Dept Grant Fund	
			70E299, Reimbursement of General Fund Costs	$ 11,391.36
			Subtotal	$ 702,657.66
Public Works - Board	Fund 68S/22, Californians For All Youth Service Corps - Cycle 3		Fund 100/74, Board of Public Works (68S/21, 21E174)	
Transfer of BPW Balance from FY 2025-26	22C174, Board of Public Works	$ 129,114.54	001010, Salaries General	$ 129,114.54
Public Works - Sanitation	Fund 760/50, Sewer Operations & Maintenance Fund		100/10, City Administrative Officer	
Insurance	50EX82, PW- Santiation Expense and Equipment	$ 32,636.98	RSC 5301, Reimbursement From Other Funds	$ 32,636.98
ITA Annual Fiber Service Lease	Fund 508/58 Solid Waste Resources Revenue Fund		Fund 100/32, Information Technology Agency	
	50EX82, PW- Sanitation Expense and Equipment	$ 73,046.40	009350, Communication Services	$146,092.80
	Fund 760/50, Sewer Operations & Maintenance Fund			
	50EX82, PW- Sanitation Expense and Equipment	$ 73,046.40		
	Subtotal	$ 146,092.80		
Clean Cities Grant Program	537/50, Environmental Affairs Trust Fund		Fund 100/82, Bureau of Sanitation (537/50, 50E182)	
	50A182, Bureau of Sanitation	$ 18,000.00	001070, Salaries As Needed (EATF)	$6,500.00
			001090, Overtime General (EATF)	$4,000.00
			002130, Travel (EATF)	$6,000.00
			006010, Office and Administrative (EATF)	$1,500.00
			Subtotal	$18,000.00
Reimbursement for Employee	Fund 100/82, Bureau of Sanitation (Fund 760/50, 50E182)		100/10, City Administrative Officer (760/50, 50E110)	
	001010, Salaries General (SCMO)	$ 327,070.02	001010, Salaries General (SCMO)	327,070.02
Public Works - Street Lighting	Fund 347/50, Street Lighting Maintenance Assessment Fund		Fund 100/32, Information Technology Agency (347/50, 50E132)	
Computer Port Installation	50ALIS, Street Lighting Improvement and Supplies	$ 64,016.71	009350, Communication Services	$ 64,016.71
Public Works - Street Services	Fund 64C/50, BSS Transaction Fund		Fund 100/86, Public Works-Street Services (64C/50, 50E186)	
Reimbursement for Special Events	RSRC 465800, Special Events-General	$ 2,447,525.02	001090, Overtime General	$ 223,751.10
			Fund 100/94, Transportation	
			RSRC 4355, Transportation Control Services	$ 427,955.75
			Fund 508/50, Solid Waste Resources Fund	
			RSRC 518801, Miscellaneous Revenue-Others	$ 1,216.66
			Fund 48R/08, Bldg & Safety Permit Enterprise Fund	
			RSRC 3225, Building Permits-Regular	$ 4,387.59
			Fund 100/38, LAFD (64C/50, 50E138)	
			001012, Salaries Sworn	$ 44,148.96
			Fund 100/70, LAPD (64C/50, 50E170)	
			001092, Overtime Sworn	$ 1,746,064.96
			Subtotal	$ 2,447,525.02
GSD Fleet - Vehicle Maintenance	Fund 100/86, Bureau of Street Services (Fund 206/50, 50E186)		Fund 100/40, General Services (Fund 206/50, 50E140)	
	001090, Overtime General	$ 100,000.00	001090, Overtime General	$ 100,000.00
Transportation	Fund 540/94, Proposition C Antigridlock Imp		Fund 100/94, Transportation (540/94, 94E194)	
Additional Hiring Hall Support for Paint & Sign	94EC33, Paint and Sign Maintenance Support - Overtime	$ 131,576.28	001100, Hiring Hall Salaries	$ 131,576.28
Additional Hiring Hall Support for Signal Systems	Fund 59C/94, Measure M Local Return Special Fund		Fund 100/94, Transportation (540/94, 94E194)	
	94TC05, LED Replacement Modules	$ 455,512.20	001100, Hiring Hall Salaries	$ 455,512.20
Reduce Maintenance Backlog for Paint & Sign	Fund 540/94, Proposition C Antigridlock Imp		Fund 100/94, Transportation (540/94, 94E194)	
	94EC33, Paint and Sign Maintenance Support -	$ 1,568,423.72	001090, Overtime General	$ 1,568,423.72
LA Cleantech Incubator Startup Services	Fund 100/56, General City Purposes		Fund 840/94, Dept Transportation Trust	
	000A36, LA Cleantech Incubator	$ 1,500,000.00	TBD, LA Cleantech Incubator	$ 1,500,000.00
TOTAL ALL DEPARTMENTS AND FUNDS		**$ 15,342,635.24**		**$ 15,342,635.24**

ATTACHMENT 6

FY 2026-27 BUDGET ADJUSTMENTS
APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE

APPROPRIATE FROM:	APPROPRIATE TO:		AMOUNT
Fund, 100/58, Unappropriated Balance			
	Fund 100/10, City Administrative Officer		
580383, Department Payroll Reconciliation	003040, Contractual Services	$	223,783.00
	Fund 100/12, City Attorney		
580197, Outside Counsel including Workers' Compensation	009301, City Attorney Outside Counsel	$	5,922,000.00
	Fund 100/28, Council		
580132, Equipment, Expenses, Alteration & Improvement	001070, Salaries As-Needed	$	2,889,568.00
	Fund 100/38, Fire		
580304, Ground Emergency Medical Transport QAF Program	003040, Contractual Services	$	714,033.21
	Fund 100/46, Mayor		
580453, Office of Major Events	001070, Salaries, As-Needed	$	1,200,000.00
	Fund 100/46, Mayor		
580132, Equipment, Expenses, and Alterations & Improvements	001010, Salaries General	$	1,600,000.00
	002130, Travel		46,000.00
	003040, Contractual Services		100,000.00
	003310, Transportation		5,432.00
	004620, Contingent Expense		30,000.00
	006010, Office and Administrative		100,000.00
	Subtotal	$	1,881,432.00
TOTAL APPROPRIATIONS FROM THE UNAPPROPRIATED BALANCE		**$**	**12,830,816.21**

ATTACHMENT 7A
STATUS OF UNAPPROPRIATED BALANCE
GENERAL ACCOUNT

C.F.	Appropriations	Date	Amount
26-0600	General		$ 50,000
	Approved Transfer		
		Balance Available	50,000.00
	Anticipated Appropriations		
		Projected Balance Available	**$ 50,000.00**

ATTACHMENT 7B

Status of the Unappropriated Balance, Reserve for Mid Year Adjustments

2026-27 Budget		**$ 49,000,000.00**
First FSR Recommendations		
Transfer Out:		
	Subtotal	***$*** **-**
	Subtotal First FSR Recommendations	**-**
Year-end Available		**$ 49,000,000.00**

ATTACHMENT 7C
STATUS OF UNAPPROPRIATED BALANCE NON-GENERAL ACCOUNT

Account No.	UB Non-General Accounts	Primary Department	Adopted Budget	Transfer In/ Reapprop.	Appropriated during year	First FSR	Appropriated during year	Second FSR	Appropriated during year	Mid-Year FSR	Appropriated during year	Year-End FSR	Available Balance
	General Fund												
580439	2025 Windstorm and Wildfire After Action Report	Council	$ 430,000										$ 430,000.00
580447	ADA Transition Plan Development	Disability	$ 100,000										$ 100,000.00
580407	Civil Case Management System Replacement	City Atty	$ 2,000,000										$ 2,000,000.00
580461	Clean Corridors Program	Sanitation	$ 10,982,888										$ 10,982,888.00
580455	Deferred Maintenance and Capital Repair Projects	CTIEP	$ 11,000,000										$ 11,000,000.00
580383	Department Payroll Reconciliation	All	$ 11,000,000			(223,783)							$ 10,776,217.00
580432	Elected Officials Transition Expenses	GSD	$ 2,625,000	593,300									$ 3,218,300.00
580431	Election Expenses - General Municipal Elections	City Clerk	$ 11,000,000	8,170,000									$ 19,170,000.00
580456	Emergency Response Operations and Shelter Activations	RAP	$ 500,000										$ 500,000.00
580132	Equipment, Expense, and Alterations & Improv.	Mayor/Council	$ 6,181,000	3,318,128		(4,771,000)							$ 4,728,127.84
580231	Gang Injunction Settlement Agreement	EWDD	$ 1,000,000	125,000									$ 1,125,000.00
580001	General (**see Attachment 7A**)	All	$ 50,000										$ 50,000.00
580304	Ground Emergency Medical Transport QAF Program	Fire	$ 52,000,000		(26,678,581)	(714,033)							$ 24,607,385.71
580449	Internal Cash Flow Borrowing	Controller	$ 4,000,000										$ 4,000,000.00
580274	Mutual Aid Overtime	Fire	$ 3,000,000		(3,000,000)								$ -
580453	Office of Major Events	Mayor	$ 1,200,000			(1,200,000)							$ -
580457	Opioid Harm Reduction Programs	CAO	$ 105,000										$ 105,000.00
580197	Outside Counsel including Workers' Comp	City Atty	$ 6,657,000		(735,000)	(5,922,000)							$ -
580450	Police Workday Payroll Integration Software	Police	$ 1,000,000										$ 1,000,000.00
580232	Reserve for Extraordinary Liability	All	$ 20,000,000										$ 20,000,000.00
580196	Reserve for Mid-Year Adjustments	All	$ 49,000,000										$ 49,000,000.00
580459	TGI Wellness and Equity Initiative	CID	$ 500,000										$ 500,000.00
580454	Winter Shelter Program	Housing	$ 1,560,735										$ 1,560,735.00
580452	WorkSource Centers	CID	$ 500,000										$ 500,000.00
580458	Zoo Volunteer Program	Zoo	$ 55,055										$ 55,055.00
			$ 196,446,678	**$ 12,206,428**	**$ (30,413,581)**	**$ (12,830,816)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**165,408,708.55**
	Special Funds												
580460	2028 Games Venue Approaches	CTIEP	$ 5,000,000										$ 5,000,000.00
			$ 5,000,000	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 5,000,000.00**
	Grand Total		**$ 201,446,678**	**$ 12,206,428**	**$ (30,413,581)**	**$ (12,830,816)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 170,408,708.55**

STATUS OF LIABILITY CLAIMS ACCOUNTS

		Budget		Paid	Available Balance after Paid Amounts	Pending Payments	Available Balance after Paid + Pending	Percentage of Available Balance to Adjusted Budget
Department/Bureau	Account	2026-27 Adopted Budget (A1)	2026-27 Adjusted Budget (A2)	(B)	C=A2+B	(D)	E= C+D	
FIRE	009790	$ -	$ 1,202,500	$ (950,000)	$ 252,500	$ (252,500)	$ -	-2%
GENERAL SERVICES	009791	$ -	$ -	$ -	$ -	$ -	$ -	0%
POLICE	009792	$ -	$ 30,105,439	$ (24,522,940)	$ 5,582,499.10	$ (7,434,499)	$ (1,852,000)	-50%
PW/ENGINEERING	009793	$ -	$ -	$ -	$ -	$ -	$ -	-3%
PW/SANITATION SOLID	009794	$ 20,000,000	$ 20,000,000	$ (16,060,384)	$ 3,939,616	$ -	$ 3,939,616	-8%
PW/SANITATION SEWER	009794	$ 5,370,072	$ 5,370,072	$ (11,050)	$ 5,359,022	$ -	$ 5,359,022	0%
PW/STREET SERVICES	009795	$ -	$ 13,022,000	$ (9,237,000)	$ 3,785,000	$ (3,785,000)	$ -	-12%
RECREATION & PARKS	009796	$ -	$ 1,185,000	$ (1,185,000)	$ -	$ -	$ -	-6%
TRANSPORTATION	009797	$ -	$ 29,210,568	$ (28,175,568)	$ 1,035,000	$ (1,435,000)	$ (400,000)	-24%
MISCELLANEOUS	009798	$ 180,000,000	$ 105,274,493	$ (9,730,240)	$ 95,544,253	$ (895,524)	$ 94,648,729	-20%
GENERAL FUND SUBTOTAL		***$ 180,000,000***	***$ 180,000,000***	***$ (73,800,748)***	***$ 106,199,252***	***$ (13,802,523)***	***$ 92,396,728.78***	***-135%***
SPECIAL FUNDS SUBTOTAL		***$ 25,370,072***	***$ 25,370,072***	***$ (16,071,434)***	***$ 9,298,638***	***$ -***	***$ 9,298,638***	***-69%***
TOTAL		***$ 205,370,072***	***$ 205,370,072***	***$ (89,872,182)***	***$ 115,497,890***	***$ (13,802,523)***	***$ 101,695,367***	***-127%***

ATTACHMENT 9
EMPLOYMENT LEVEL REPORT
FY 2026-27

Department	2026-27 Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of August	Changes	End of August	Start of August	Changes	End of August		
Animal Services	318	322	23	345	307	(5)	302	43	2
Building and Safety	993	1,109	-	1,109	912	(7)	905	204	1
Cannabis Regulation	50	57	-	57	48	1	49	8	-
City Administrative Officer	149	175	-	175	152	-	152	23	4
City Attorney	894	1,080	-	1,080	960	(1)	959	121	24
City Clerk	113	118	-	118	107	4	111	7	-
City Planning	378	553	-	553	469	(1)	468	85	18
City Tourism	12	12	-	12	8	1	9	3	-
Civil, Human Rights, and Equity	5	26	-	26	24	-	24	2	-
Community Investment	200	305	(1)	304	274	-	274	30	6
Controller	144	181	-	181	141	-	141	40	8
Cultural Affairs	91	98	-	98	90	(1)	89	9	-
Disability	24	28	-	28	22	1	23	5	1
El Pueblo	9	14	-	14	8	-	8	6	-
Emergency Management	29	33	-	33	31	-	31	2	-
Employee Relations Board	3	3	-	3	3	-	3	-	-
Ethics Commission	46	46	-	46	39	-	39	7	-
Finance	297	349	-	349	301	-	301	48	-
Fire - Civilian	407	448	(1)	447	389	(1)	388	59	1
Fire - Sworn	3,497	3,843	-	3,843	3,399	(9)	3,390	453	285
General Services	1,206	1,238	-	1,238	995	-	995	243	6
Housing	573	1,017	-	1,017	768	11	779	238	4
Information Technology Agency	331	332	-	332	315	(1)	314	18	1
Neighborhood Empowerment	31	33	-	33	32	-	32	1	-
Personnel	505	591	-	591	509	(1)	508	83	13
Police - Civilian	3,007	3,030	-	3,030	2,356	(21)	2,335	695	-
Police - Sworn	10,591	10,759	-	10,759	8,523	(13)	8,510	2,249	2
Public Accountability	9	9	-	9	6	1	7	2	-
PW/Board of Public Works	94	116	-	116	107	2	109	7	-
PW/Bureau of Contract Administration	279	373	-	373	314	4	318	55	1
PW/Bureau of Engineering	670	914	-	914	797	(4)	793	121	27
PW/Bureau of Sanitation	3,190	3,682	-	3,682	2,950	(5)	2,945	737	3
PW/Bureau of Street Lighting	177	323	-	323	280	(2)	278	45	7
PW/Bureau of Street Services	799	1,281	-	1,281	1,040	(1)	1,039	242	1
Transportation	1,264	1,697	-	1,697	1,376	1	1,377	320	6
Zoo	250	258	-	258	222	3	225	33	2
Subtotal	**30,635**	**34,453**	**21**	**34,474**	**28,274**	**(44)**	**28,230**	**6,244**	**423**
Library	1,311	1,444	-	1,444	1,214	-	1,214	230	133
Recreation and Parks	1,551	1,861	-	1,861	1,553	8	1,561	300	306
Subtotal	**2,862**	**3,305**	**-**	**3,305**	**2,767**	**8**	**2,775**	**530**	**439**
Total	**33,497**	**37,758**	**21**	**37,779**	**31,041**	**(36)**	**31,005**	**6,774**	**862**

"Position Authorities-Start of August" includes resolution authority and substitute positions.

Monthly Summary	2026-27 Budget	Position Authorities			Filled Positions			Vacancies	Activated Sub. Auth.
		Start of Month	Changes	End of Month	Start of Month	Changes	End of Month		
July	33,497	37,758	-	37,758	31,154	(113)	31,041	6,717	864
August	33,497	37,758	21	37,779	31,041	(36)	31,005	6,774	862

2026-27 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK
($ millions)

	Adopted 2026-27	2027-28	2028-29	2029-30	2030-31
ESTIMATED GENERAL FUND REVENUE					
General Fund Base (1)	**$ 8,178.3**	**$ 8,597.4**	**$ 8,764.3**	**$ 8,999.5**	**$ 9,317.7**
Revenue Growth (2)					
Property Related Taxes (3)	103.0	145.2	143.7	195.1	213.5
Business and Sales Taxes (4)	120.0	32.4	41.0	41.3	38.3
Utility Users Tax (5)	70.3	14.4	15.0	15.6	16.3
Departmental Receipts (6)	205.9	0.5	20.6	50.6	76.7
Other Fees, Taxes, and Transfers (7)	(26.7)	(29.9)	14.9	15.6	16.3
SPRF Transfer (8)	(24.4)	4.3	-	-	-
Transfer from the Budget Stabilization Fund (9)	(29.0)	-	-	-	-
Transfer from Reserve Fund (10)	-	-	-	-	-
Total Revenue	**$ 8,597.4**	**$ 8,764.3**	**$ 8,999.5**	**$ 9,317.7**	**$ 9,678.8**
General Fund Revenue Increase %	***5.1%***	***1.9%***	***2.7%***	***3.5%***	***3.9%***
General Fund Revenue Increase $	***419.1***	***166.9***	***235.2***	***318.2***	***361.1***
ESTIMATED GENERAL FUND EXPENDITURES					
General Fund Base (11)	**$ 8,178.3**	**$ 8,597.4**	**$ 8,930.3**	**$ 9,110.9**	**$ 9,323.5**
Incremental Changes to Base: (12)					
Employee Compensation Adjustments (13)	177.5	211.1	58.4	65.9	80.2
City Employees' Retirement System (14)	98.4	35.2	(5.1)	15.4	25.1
Fire and Police Pensions (14)	35.0	27.4	(4.4)	(2.0)	(0.3)
Workers' Compensation Benefits (15)	8.7	8.5	8.5	9.1	10.2
Health, Dental, and Other Benefits (16)	44.4	42.5	39.0	33.8	40.8
Debt Service (17)	14.1	(12.2)	43.1	101.5	55.8
Delete Resolution Authorities (18)	(121.7)	-	-	-	-
Add New and Continued Resolution Authorities (18)	109.9	-	-	-	-
Delete One-Time Costs (19)	(11.5)	(22.8)	-	-	-
Add One-Time Costs (19)	22.8	-	-	-	-
Comprehensive Homeless Strategy (20)	34.5	-	-	(27.1)	-
Unappropriated Balance (21)	(40.6)	(23.3)	-	-	-
CTIEP-Municipal Facilities and Physical Plant (22)	(1.2)	(2.0)	-	-	-
CTIEP-Sidewalks (23)	-	5.9	-	-	-
CTIEP-Pavement Preservation (24)	0.3	43.5	3.2	3.3	3.3
Appropriation to the Reserve Fund (25)	(107.2)	(14.6)	-	-	-
Appropriation to the Budget Stabilization Fund (26)	-	-	-	-	-
Net - Other Additions and Deletions (27)	155.7	33.7	37.9	12.7	28.4
Total Expenditures	**$ 8,597.4**	**$ 8,930.3**	**$ 9,110.9**	**$ 9,323.5**	**$ 9,567.0**
Expenditure Growth %	***5.1%***	***3.9%***	***2.0%***	***2.3%***	***2.6%***
Expenditure Growth $	***419.1***	***332.9***	***180.6***	***212.6***	***243.5***
REVENUES OVER (BELOW) EXPENDITURES (28)	**$ -**	**$ (166.0)**	**$ (111.4)**	**$ (5.8)**	**$ 111.8**
Incremental Increase $	***-***	***(166.0)***	***54.6***	***105.6***	***117.6***

2026-27 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES

REVENUE:

(1) General Fund (GF) Base: The revenue base for each year represents the prior year's estimated revenues. Each year's Total Revenue incorporates revised estimates for prior year receipts, adds revenue growth, and subtracts revenue reductions to the GF Base.

(2) Total City revenue growth for outgoing years is estimated between 2.9 and 4.5 percent. Unless otherwise noted, individual revenue sources reflect continuing growth in fiscal years 2026-27 through 2030-31 based on historical average receipts as well as industry and economic forecasts. The amounts represent projected incremental change to the base. The revenue growth amounts deduct one-time receipts from the estimated revenue growth for the following fiscal year. A recession is not assumed, despite increasing downside risk due to economic uncertainties resulting from the Iran War, specifically fuel and supply disruptions. and resulting inflation. Tariffs and trade disputes, economic and tourism boycotts, disruptive immigration enforcement and deportations, federal shutdowns, spending and service cuts and other disruptive actions also pose continuing risks. While inflation is anticipated to increase with war-driven gas price increases, its impact on revenue growth assumptions for 2027-28 through 2030-31 is not explicitly included in the forecast above what has been included in economic and industry forecasts. It should be noted, however, that revenue assumptions based on historical growth will inherently include inflationary impacts.

Estimates do not include assumptions for increased revenue from major regional events like the World Cup, Super Bowl LXI, the 2028 Olympic and Paralympic Games (2028 Games) above those included in economic and industry forecasts. No assumptions are made for revenue impacts from pending and proposed ballot measures.

(3) Property Related Taxes include all property tax revenues, Documentary Transfer Tax, Residential Development Tax, and the redirection of ex-CRA tax increment monies. Assessed value growth in property tax is projected at 3.9 percent based on the County Assessor's estimate for countywide growth, which includes the full two percent inflationary adjustment to secured receipts.

Net growth in fiscal year 2025-26 and 2026-27 receipts will vary with final remittances of 2025 tax period secured receipts received between May and August 2026. Outgoing years assume below average growth in assessed valuation for 2027-28 and 2028-29, increasing to above average growth in 2029-30 and 2030-31 during a period of post fire reconstruction.

Documentary Transfer is a volatile revenue source, particularly when sales volume and price move together. With several federal reserve fund rate cuts since September 2024, tax receipts have been recovering from the post-pandemic low. The 2026-27 revenue is based on real estate industry forecasts for a continuing recovery in sales and volume, contingent on anticipated mortgage rate reductions. There is risk to this estimate, as mortgage rates have since increased due to concerns about inflation brought on by the Iran war. 2027-28 and outgoing years assume historical average growth.

Ex-CRA tax increment revenue growth is irregular. The estimate for 2026-27 reflects the adopted payment schedule (ROPS), assumptions based on prior disbursements, and trends seen in supplemental property tax receipts. Additional one-time miscellaneous revenue from surplus property sales previously anticipated in 2025-26 and 2026-27 are now anticipated in 2027-28. Growth in subsequent fiscal years aligns with property tax growth assumptions.

(4) Business tax revenue for 2026-27 from non-cannabis business activity is based on Office of Finance estimates for which $8 million in one-time revenue is assumed for prior year taxes identified through increased tax discovery efforts. A decline in 2026-27 cannabis business tax receipts is assumed consistent with the post-pandemic trend. Outgoing years assume growth from non-cannabis activities drops to historical growth, as tax discovery diminishes. Outgoing years for cannabis activities assumes zero growth.

(5) Electricity users tax (EUT) revenue estimates for 2026-27 use the upper range provided by the Department of Water and Power (DWP) derived from their January 2026 load forecast. Outgoing years assume average growth.

2026-27 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES

Gas users tax revenue for 2026-27 is based on the U.S. Energy Information Administration forecasts. No growth is assumed for outgoing years due to price volatility.

Communication users tax (CUT) revenue continues to decline with strategic wireless plan pricing and decreased landline use. The current decline trend is assumed for 2026-27 revenue and average decline is used for outgoing years.

(6) Departmental receipts inclusive of License, Permits, Fees, and Fines reflect net growth for 2026-27 ongoing receipts at 14.5 percent, and 10.8 percent for all receipts. Increases to revenue include one-time Alliance Settlement reimbursements from the County, ongoing reimbursements for services in support of proprietary departments and the solid waste collection and sewer funds, and ambulance transport reimbursements from the State. Reimbursements from other special funds are estimated to decline. Related costs reimbursements for 2026-27 are based on updated Cost Allocation Plan rates (as allowable), and vacancy, salary, and service level assumptions. Outgoing years assume slightly lower than average growth for ongoing receipts to bring outlook growth closer to average historical growth. Lower base revenue is applied for 2029-30 and 2030-31 growth assumptions to reflect the expiration of the Los Angeles County Metropolitan Transportation Authority (LACMTA) police services agreement.

(7) Transient occupancy tax (TOT) revenue from hotels and short-term rentals in 2025-26 is anticipated to decline for a second year attributed to decreasing international tourism and boycotts in response to US policy actions. Growth is anticipated through 2028-29, based on trends in current receipts and the tourism industry forecast for the Los Angeles region, which includes the impact of the 2026 World Cup, the 2027 Superbowl and the 2028 Olympic Games.

The parking occupancy tax estimate for 2026-27 and outgoing years assume growth consistent with historical receipts.

Parking fine estimates for 2026-27 are provided by the Department of Transportation. Ticket issuance has declined due to traffic officer position deletions and attrition. Additional receipts are assumed from the implementation of the Automated Bus Lane Enforcement Program (ABLE).

The Power Revenue transfer for 2026-27 is based on the estimate included in the proposed budget for DWP, which is derived from assumptions for estimated 2025-26 Power System revenue. The final transfer amount may be adjusted to conform to actual 2025-26 power system revenue in accordance with audited financial statements. Outgoing years assume an average of amounts transferred since a transfer limit was established.

Franchise revenue in 2026-27 is based on current trends in receipts and is informed by industry forecasts for individual components, including natural gas and cable television. It also reflects increases to official police garage franchise income from new rates. Additionally, the 2026-27 estimate reflects a reduction to base revenue with the expiration of solid waste franchise agreements, with the full year loss reflected in 2027-28. (This franchise activity will be replaced by a special administrative fee rate structure The 2027-28 and outgoing years assume zero growth for remaining base receipts.

Grant revenue is variable. Estimates for 2026-27 in ongoing grant receipts are provided by the various departments receiving grant funds, with average growth assumed for outgoing years. The 2026-27 estimate represents the balance of anticipated FEMA reimbursements for COVID activities. Anticipated FEMA reimbursements for the Palisades Fire response and recovery efforts are not included, as they will be deposited into the Disaster Assistance Trust Fund for disbursement directly to special funds.

(8) The 2026-27 transfer of $12.2 million is below the previously assumed base transfer amount of $16.5 million. Base revenue of $16.5 million is assumed for outgoing years.

(9) A transfer of $29 million from the Budget Stabilization Fund (BSF) occurred in the 2025-26 budget and is backed out in 2026-27. No transfers from the BSF are assumed for outgoing years.

2026-27 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES

(10) The Outlook does not assume any transfers from the Reserve Fund in 2026-27 or in subsequent years.

ESTIMATED GENERAL FUND EXPENDITURES:

(11) General Fund Base: The General Fund base carries over all estimated General Fund expenditures from the prior year to the following fiscal year.

(12) Incremental changes to the Base: The 2026-27 amount reflects funding adjustments to the prior fiscal year's General Fund budget. The expenditures included for subsequent years represent major expenses known at this time and are subject to change.

(13) Employee Compensation Adjustments: The 2026-27 amount includes employee compensation adjustments consistent with existing labor agreements, the deletion of one-time salary funding from the prior year, and all other required salary adjustments. Fiscal years 2027-28 through 2030-31 reflect the restoration of one-time salary reductions from the prior year, full-funding for partially financed positions, and adjustments in existing labor agreements. The Outlook does not include projections for future compensation adjustments from future labor agreements, although it does include a two percent annual increase to account for natural salary growth. Most current agreements for civilians expire in 2027-28 or 2028-29. The majority of agreements for sworn expire in 2026-27.

(14) City Employees' Retirement System (LACERS) and Fire and Police Pensions (LAFPP): The contribution rates are based on information that the systems' actuary calculated and includes the employee compensation adjustment assumptions above. In 2025, the board of commissioners for LACERS and LAFPP adopted economic and demographic assumption changes, including maintaining the inflation rate at 2.50 percent, payroll growth at three percent, and the assumed investment rate of return at seven percent.

Assumptions	2026-27	2027-28	2028-29	2029-30	2030-31
LACERS					
6/30th Investment Returns	7.00%	7.00%	7.00%	7.00%	7.00%
Combined Contribution Rate	31.99%	31.27%	30.26%	30.24%	30.44%
LAFPP					
6/30th Investment Returns	7.00%	7.00%	7.00%	7.00%	7.00%
Combined Contribution Rate	35.89%	34.99%	34.18%	33.36%	32.51%

In accordance with Measure FF, the 2026-27 City (General Fund) contribution includes the normal cost for Police and Recreation and Parks members that transferred from LACERS to LAFPP in January 2026. Additionally, the Outlook reflects a five-year amortization of the cost of transferring these employees under Measure FF.

(15) Workers' Compensation Benefits: The projection reflects the April 2026 actuarial analysis. They reflect the impact of both current and projected future COVID-19 claims.

(16) Health, Dental, and Other Benefits: Health, Dental, and Other Benefits: The projection incorporates all known cost-sharing provisions adopted into labor agreements for the civilian and sworn populations. It assumes net enrollment for the civilian and sworn fire populations will remain flat for the remaining years within the projection. It also assumes the sworn police population has a roughly 10 percent enrollment increase over fiscal years 2027-28 and 2028-29 and then will remain flat. Benefit rate increase assumptions are consistent with historical and current industry trends.

(17) Debt Service: The debt service amounts include known future payments from the Capital Finance budget. The projected debt service amounts from 2028-29 to 2030-31 include costs associated with the Los Angeles Convention Center Expansion Project. The forecast does not include costs associated with major construction projects such as the Civic Center Master Plan.

2026-27 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES

(18) Resolution Authorities: The deletion line reflects the practice of annually deleting resolution authority positions, which must be authorized each year through a Council resolution. The “Add New and Continued Resolution Authorities” line reflects the continued or new resolution positions included in the 2026-27 Budget. The cost of positions previously authorized as resolution authorities and are continued as regular, or permanent positions are now captured under the Net - Other Additions and Deletions category.

(19) One-time Costs: The deletion line reflects the practice of deleting programs and costs that are limited-term and temporary in nature each year. The “Add One-Time Costs” line reflects the continued and new one-time costs included in the 2026-27 Budget. The Outlook deletes funding for all one-year projects in 2027-28 and retains the remaining balance for multiyear projects that will not become part of the General Fund base. To the extent that there are budget decisions to continue one-time programs in future years, expenditures would be higher than the reported projections.

(20) Comprehensive Homeless Strategy: This amount represents an increase of $34.5 million from the 2025-26 Adopted General Fund appropriation for homelessness-related services and expenditures within the context of the City's Comprehensive Homeless Strategy. The Outlook assumes the appropriation relative to the Alliance Settlement Agreement will not continue in 2029-30, in accordance with recent settlement terms to extend to 2028-29. The Outlook maintains the continuation of all homelessness items in future years.

(21) Unappropriated Balance (UB): The significant decrease in 2026-27 is primarily composed to the reduction in the Reserve for Mid-Year Adjustments Account, which were one-time funds provided in 2025-26 to cover anticipated liability payouts as well as reductions for homelessness expenditures, which are now reflected in the General City Purposes budget. To the extent that the new programs are continued in the 2026-27 Budget, the funding for those programs and positions is included in the “Add New and Continued Resolution Authorities” line or “Net – Other Additions and Deletions” line. The 2026-27 amount eliminates one-time UB items included in 2025-26 and continues ongoing ones.

(22) CTIEP – Municipal Facilities and Physical Plant: The CTIEP is the Capital and Technology Improvement Expenditure Program. The 2026-27 Budget includes a decrease in funding from the General Fund totaling $10.6 million for physical plant related capital projects and $1.6 million for municipal facilities. The 2027-28 amount deletes funding for one-year projects. The Outlook does not assume increased funding in future years to meet the policy spending level of 1.5 percent of General Fund revenue for capital and technology projects inasmuch as the increased funding assumed for Pavement Preservation will enable the City to exceed the 1.5 percent policy level.

(23) CTIEP – Sidewalk: Pursuant to the settlement in the case of Willits v. City of Los Angeles, the City is responsible for investing $31 million annually for sidewalk improvements through 2047, with adjustments of 15.3 percent every five years to account for inflation and material price increases. The 2026-27 Budget maintains the 2025-26 funding level. The 2027-28 increase of $5.5 million reflects the required adjustment to the minimum obligation, with the balance of the required investment covered by other sources of funds.

(24) CTIEP – Pavement Preservation Program: The Pavement Preservation Program increase of $43.5 million in 2027-28 reflects the restoration of General Fund to cover the costs shifted to special funds on a one-time basis in 2026-27. Future years assume that the General Fund will bear cost increases to maintain service levels that exceed the capacity of special funds.

(25) Appropriation to the Reserve Fund: A one-time appropriation of $14.6 million is provided to the Reserve Fund in 2026-27, offset by the deletion of the one-time appropriation of $121.8 million provided in 2025-26. This reflects a net decrease of $107.2 million in 2026-27. The Outlook reflects the deletion of $14.6 million in 2027-28 and does not assume an appropriation to the Reserve Fund in subsequent years.

(26) Appropriation to the Budget Stabilization Fund (BSF): Pursuant to the policy, when the combined annual growth for seven General Fund tax revenue sources exceeds the Average Annual Ongoing Growth Threshold, the budget must include a deposit into the BSF. When growth of these receipts falls short of the Average Annual Ongoing Growth Threshold, the Budget may include a withdrawal from the fund. Consistent with the Policy, the 2026-27 Budget provides a transfer from the Reserve Fund to the BSF. Based on revenue projections, the Outlook does not assume a contribution to the BSF for outgoing years.

2026-27 ADOPTED BUDGET
FOUR-YEAR GENERAL FUND BUDGET OUTLOOK (OUTLOOK) FOOTNOTES

27) Net – Other Additions and Deletions: The 2026-27 amount includes the restoration of one-time reductions and efficiencies, ongoing changes, and new positions. The overall increase is attributed to the appropriations to the Recreation and Parks the Library departments, one-time payment for the recycling incentive program, the installment payment for fee waivers for the permit costs associated with the Palisades fire, hotel development incentive agreements, and new and increased ongoing costs to a variety of departmental programs. Subsequent years include projected expenditures for the restoration of one-time expenditure reductions, hotel development incentive agreements, and increased appropriations to Recreation and Parks and the Library.

(28) Revenues Over (Below) Expenditures: The amount reflects the difference between the projected revenues and expenditures in each of the years, with a positive number reflecting higher projected revenues than expenditures and negative numbers reflecting higher projected expenditures than revenues.

ATTACHMENT 11
LIST OF PENDING INTERIM REQUESTS FOR FUNDING

Proposing Department/Office	Impacted Department(s)	Council File Number	Brief Description	Amount of Request
CD-2	Building and Safety	26-0600-S3	To restore the Demolition and Repair Fund to be used for the demolition and repair of vacant buildings and lot abatement.	1,690,799
CD-6	Community Investment Department	26-0600-S4	Funding to create a Van Nuys Jobs and Economic Development Incentive (JEDI) Zone.	800,000
CD-11	CTIEP-Physical Plant	26-0600-S5	To provide funding to repair the Lighthouse Bridge in Council District 11.	2,500,000
CD-11	PW Sanitation	26-0600-S6	To provide 12-months funding for 8 filled positions to restore the Coastal CARE+ Team (8 positions).	1,989,650
CD-4	Recreation and Parks	26-0600-S7	To provide funding for daily security services at Runyon Canyon Park.	150,000
CD-13	CTIEP-Physical Plant	26-0600-S8	To provide funding in the Capital & Technology Improvement Expenditure Program for the North Atwater East Bank Riverway Project.	1,227,755
CD-14	Finance	26-0600-S12	To provide gap funding for a Public Bank Study.	325,000
CD-2	PW Engineering/CTIEP	25-0600-S13	To provide funding for the North Hollywood Park Master Plan (or potential MICLA funding).	150,000
CD-2	Controller	25-0600-S14	To provide funding six months funding for 2 positions in the Controller's Office to conduct a FilmLA Audit.	178,128
CD-11	CTIEP-Physical Plant	25-0600-S15	To provide funding for Citywide Alley Paving.	4,000,000
CD-14	Community Investment Department PW Sanitation General City Purposes	26-0906-S12	Funding up to $10 million establish a Lineage Fire Mitigation Fund to mitigate the impacts of the Lineage fire impacts to Boyle Heights. *Report $5M pending Council approval*	5,000,000
CD-7	Animal Services	26-1291	Report on the security needs at each of the City's six Animal Shelter locations and the associated funding.	Not identified
CD-1	PW Sanitation	26-0383	Report on staffing and resources needed for Citywide Brownfields Program. Department report pending in Committee.	Not identified
CD-3	Neighborhood Empowerment	26-0600-S79	Plan to support compliance with the Americans with Disabilities Act by all 99 Neighborhood City Councils, including the standardization of websites, document collection, and archiving.	Not identified
CD-3	PW Contract Administration Housing	24-0069-S3	Relative to the transition plan for staff and programs related to consolidating prevailing wage monitoring staff.	Not identified
CD-5	Neighborhood Empowerment	N/A	Instruction for DONE to submit a funding request through the First FSR for Civic University and dispute resolution services.	50,000
CD-14	Zoo	26-1140	CAO to identify funding for the retention of a consultant for a study that evaluates existing zoo governance models and roadmap for any potential governance change.	Not identified
Recreation and Parks (RAP)	Recreation and Parks	TBD	2026-27 estimated costs for lifeguarding services at Cabrillo and Venice Beaches.	1,169,294

ATTACHMENT 11
LIST OF PENDING INTERIM REQUESTS FOR FUNDING

Proposing Department/Office	Impacted Department(s)	Council File Number	Brief Description	Amount of Request
CD-2	Building and Safety	26-1280	Report to identify funding to support nuisance abatement.	2,000,000
DCA/GSD	Cultural Affairs General Services	N/A	Maintenance Funding for Vision, Warner Grand, and Madrid Theatres.	338,000
CD-5 / CD-1	PW Street Lighting	26-0955	Options identifying $6.6 million for BSL to maintain workforce and baseline services.	1,689,051
CD 13	Community Investment	26-0600 (Final Budget Recap Item No. 43)	Report on identifying an additional $2.5 million in funding for RepresentLA.	2,500,000
Controller	All	26-1496	Request from the Reserve Fund to settle outstanding City use tax liabilities by October 31, 2026.	3,043,863
City Administrative Officer (CAO)	PW Street Services, Transportation, PW Street Lighting, PW Engineering, CAO	26-0600-S11	Identify funding and report with recommendations to add the position authorities necessary to deliver the ATP Cycle 6 projects.	Not identified
Transportation	CAO Transportation	25-0894	Report on DOT staffing needed for Coordinated Streets of Significance review timelines.	Not identified
			Identified Total:	**$ 28,801,540**