CITY OF LOS ANGELES

Fiscal Year 26-27

Adopted Budget

Ben Ceja
Assistant City Administrative Officer

July 2026

Overview

FY 26-27 Adopted Budget vs. FY 25-26 Adopted Budget

($ Millions)

	Adopted 2025-26	Adopted 2026-27	% Change
General Fund	$8,178	$8,597	5.1%
Special Funds	$5,925	$6,273	5.9%
Total	$14,103	$14,870	5.4%

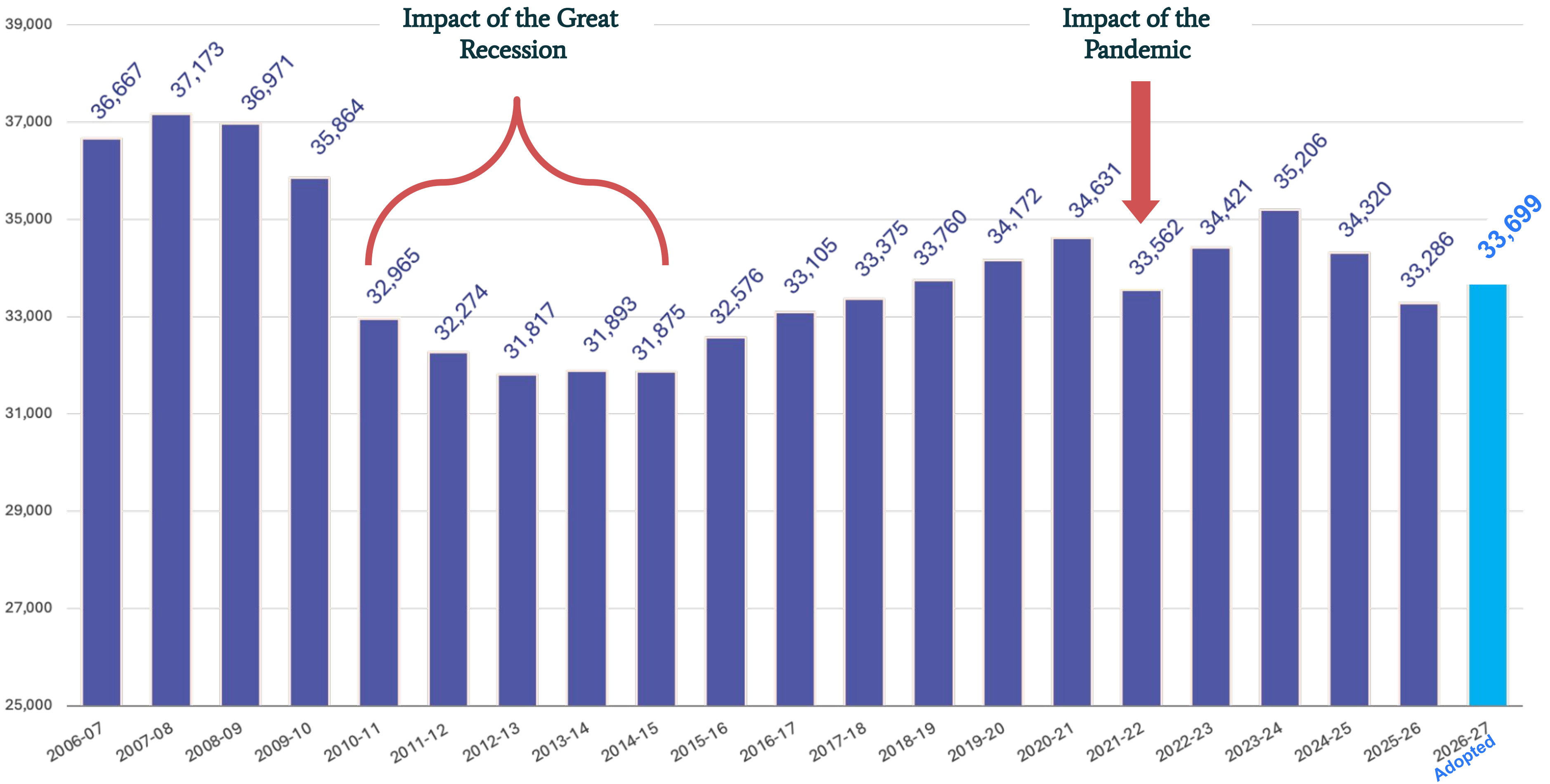
FY 26-27 Adopted Budget vs. FY 25-26 Revised Budget

($ Millions)

	Revised 2025-26	Adopted 2026-27	% Change
General Fund	$8,317	$8,597	3.4%
Special Funds	$6,340	$6,273	-1.1%
Total	$14,657	$14,870	1.5%

Authorized City Staffing

Note: Regular positions only. Does not include proprietary departments.



Revenues

FY 26-27 Adopted Budget vs. FY 25-26 Adopted Budget

	2025-26		2026-27
	ADOPTED	REVISED	PROPOSED
Property Tax	$2,839,082	$2,850,970	$2,948,660
Ex-CRA Tax Increment	$172,622	$151,497	$155,613
Departmental Receipts	**$1,644,974**	**$1,669,876**	**$1,850,868**
Business Tax	**$825,000**	**$904,470**	**$910,950**
Sales Tax	**$647,485**	**$670,670**	**$681,500**
Utility Users Tax	**$702,520**	**$746,010**	**$772,790**
Transient Occupancy Tax	$314,990	$304,070	$313,500
Power Revenue Transfer	$227,943	$225,782	$219,662
Grants Receipts	$46,831	$42,931	$21,085
Documentary Transfer Tax	$193,702	$193,128	$203,006
Franchise Income	$144,103	$140,974	$130,274
Parking Occupancy Tax	$141,336	$147,400	$151,910
Parking Fines	$108,400	$125,600	$125,600
Interest	$84,340	$74,000	$80,000
Special Parking Revenue Transfer	$36,647	$19,544	$12,215
Tobacco Settlement	$9,555	$9,064	$9,064
State Motor Vehicle License Fees	$6,146	$5,960	$5,960
Residential Development Tax	$3,580	$5,905	$4,740
Budget Stabilization Fund	$29,000	$29,000	-
Total General Fund Revenue	**$8,178,256**	**$8,316,852**	**$8,597,397**

(Figures in Thousands)

Economy-Sensitive Revenues

Projected to experience **below average growth** (20-year average: +3.8%)

Source	FY 2026-27 vs. FY 2025-26 Revised	Growth (%)
Property Tax	$97.7M	3.4%
Business Tax	$6.5M	0.7%
Sales Tax	$10.8M	1.6%
Utility Users' Tax	$26.8M	3.6%
Documentary Transfer Tax	$9.9M	5.1%
Transient Occupancy Tax	$9.4M	3.1%
Parking Occupancy Tax	$4.5M	3.1%
Economy-Sensitive Revenues Growth from Revised FY26	**$165.6M**	**2.8%**

Reserve Fund

Status of the Reserve Fund

FY 25-26 Adopted Budget:

$420M | **5.13%**

July 1, 2025 Actual:

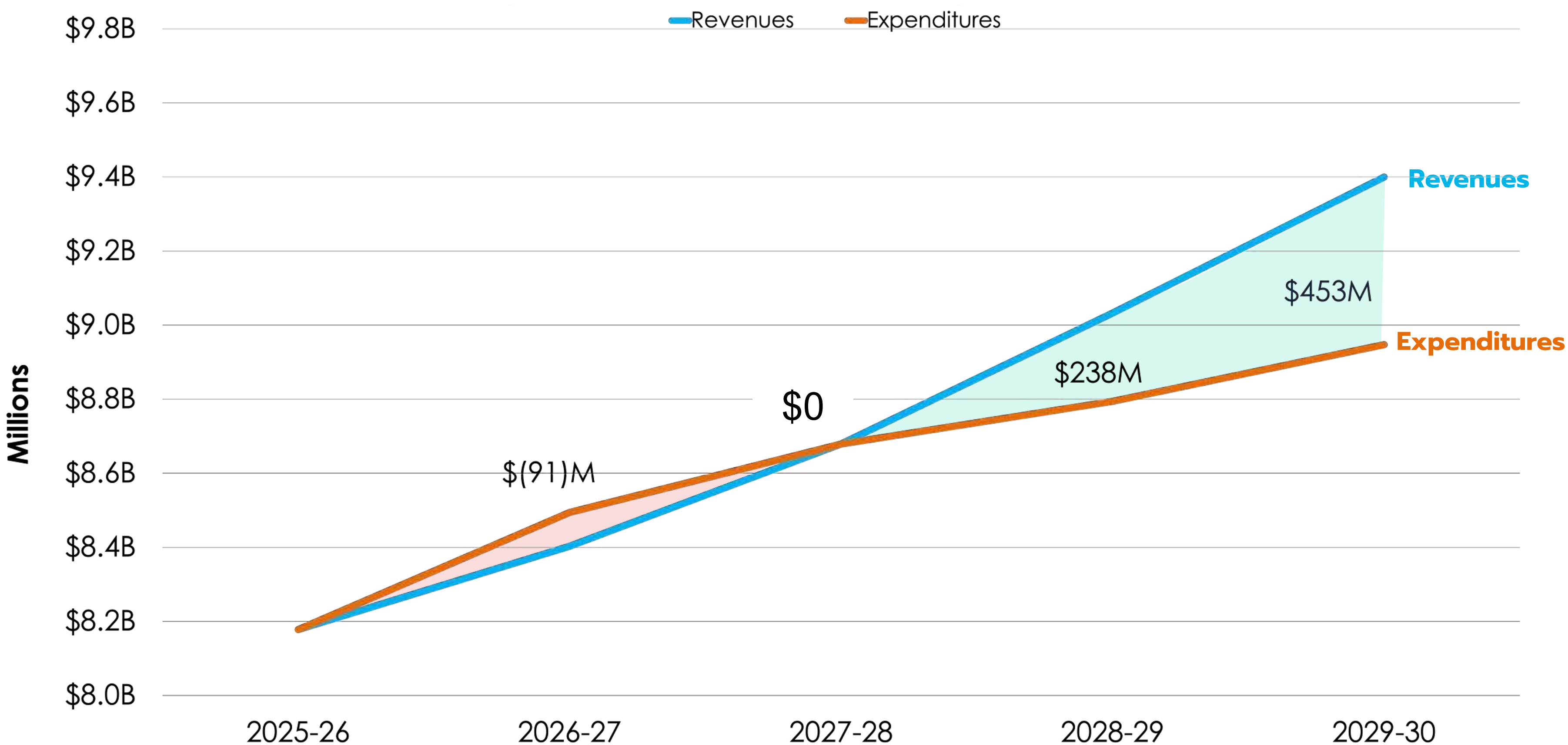
$402M | **4.91%**

FY 26-27 Adopted Budget:

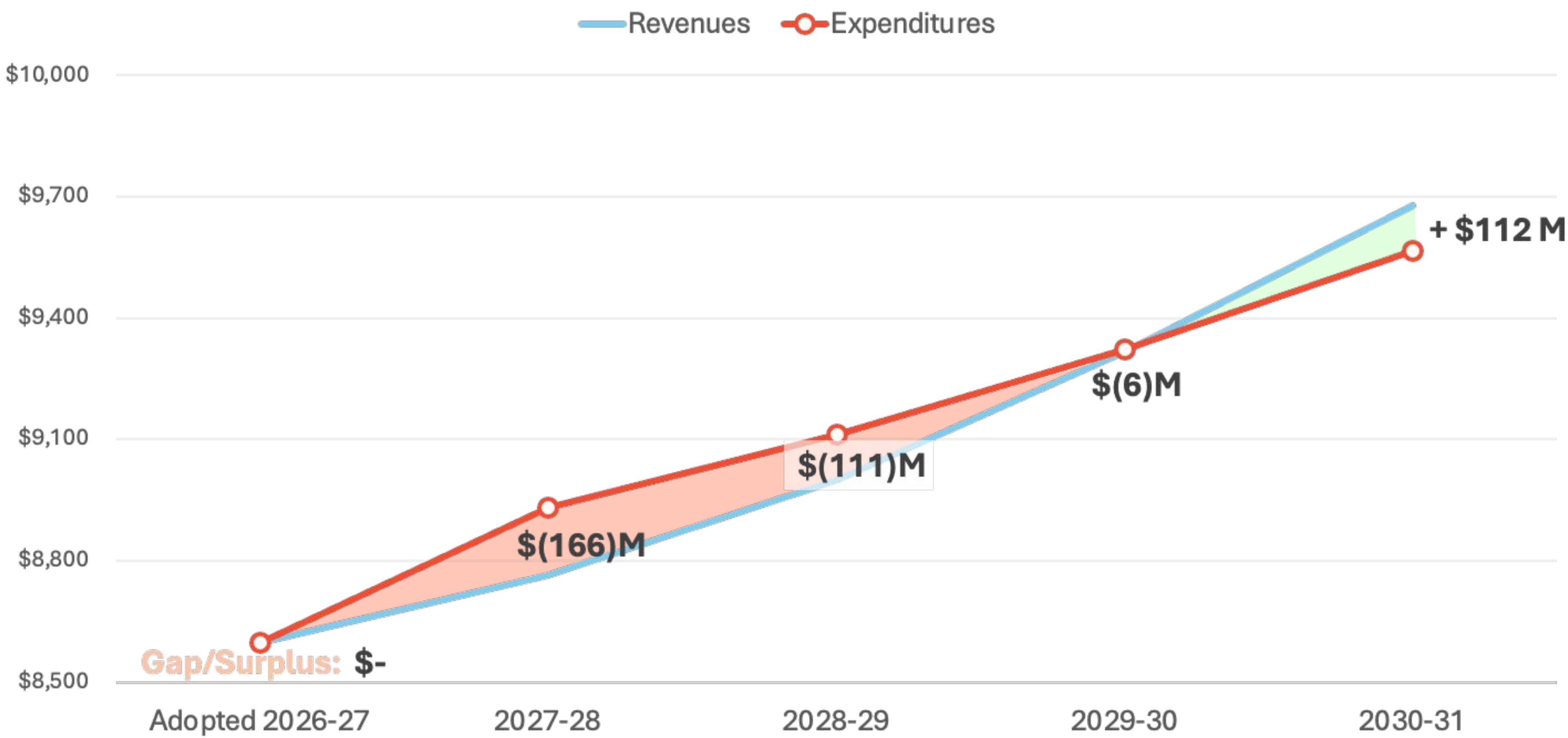
$517M | **6.01%**

Outlook & Risks

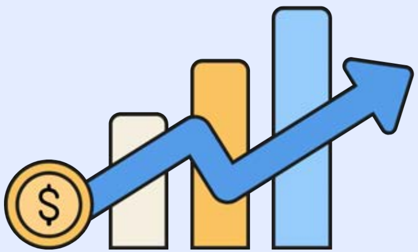
Four-Year Outlook | **FY 25-26 Adopted Budget**



Four-Year Outlook | **FY 26-27 Adopted Budget**



Four-Year Outlook | **Key Assumptions**

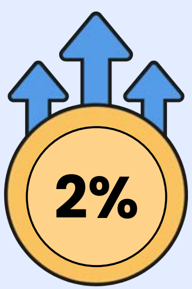


NO RECESSION

Return to historic level of revenue growth

NO SERVICE RESTORATION / EXPANSIONS

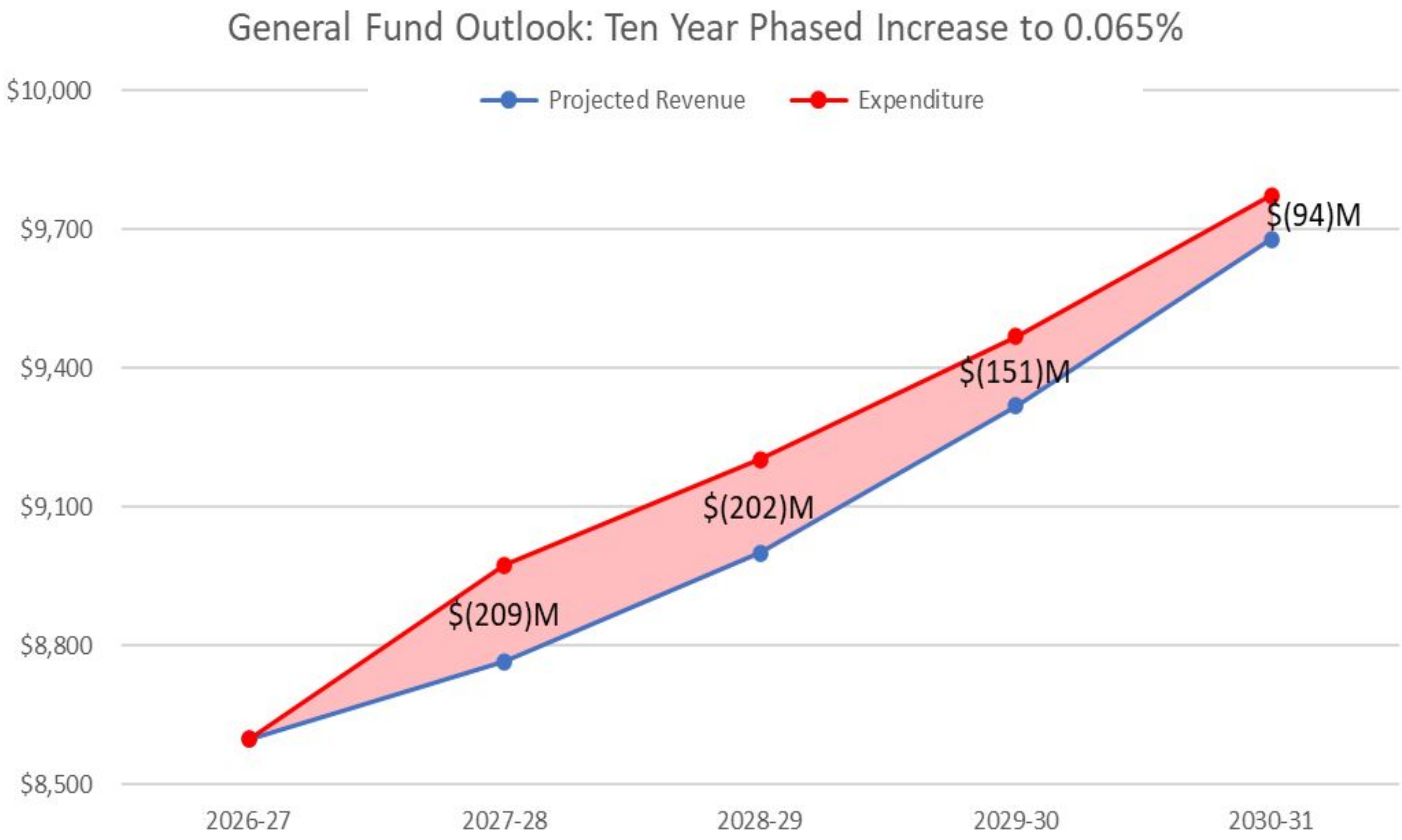
Does not include proposed Charter amendments (e.g. increase in RAP allocations, two-year budget); includes major expenses (e.g. LACC expansion) known at this time



NO NEW LABOR COSTS

2 percent annual increase in labor costs and all costs for active agreements

Four-Year Outlook | **With RAP Allocation Increase**



Financial Policies

Financial Policies | FY26-27 Adopted Budget Compliance

Reserve Fund at least 5% of General Fund revenues	✓	Will start this FY at $517 million, or 6.01%
Budget Stabilization Fund	✓	Will start this FY at $200 million
Cumulative General Fund reserves at 10% of GF Revenues	X	Cumulative Level of $766 million, or 8.91%

Financial Policies | FY26-27 Adopted Budget Compliance

Capital & Technology Investments at 1.5% of GF revenues

X

The Adopted Budget invests $111 million, or 1.30% of the General Fund revenues in this category

Financial Policies | FY26-27 Adopted Budget Compliance

Debt service No more than 6% for non-voted direct debt, and 15% for direct debt	✓	2.41% for non voter-approved 3.71% for voter and non voter-approved
Debt service adherence to MICLA operating guidelines	✓	

Financial Policies | FY26-27 Adopted Budget Compliance

All one-time revenues used for one-time expenditures	✓	$110 million in one-time General Fund revenues vs. $136 million for one-time expenditures
Achieve structural balance	X	2027-28: Expenditures exceed revenues by $166M

Looking Ahead

Looking Ahead

1. Transition to **Multi-Year Budgeting**
2. **Liability** Mitigation
3. **Fiscal Transparency** Protocols

City Administrative Officer
July 2026
cao.lacity.org/budget