

BUDGET AND FINANCE COMMITTEE REPORT relative to the Fourth (Year-End) Financial Status Report (FSR) for Fiscal Year (FY) 2025-26.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the recommendations contained in the City Administrative Officer (CAO) report dated June 2, 2026 relative to the Fourth (Year-End) FSR for FY 2025-26, attached to the Council file, as amended to incorporate the following CAO recommendations:
 - a. Amend Recommendation No. 12 to state:

Authorize the Controller to transfer \$5,240,791 from the Disaster Assistance Trust Fund No. 872/10, Account No. 10C813, Federal Disaster Assistance, to the General Fund No. 100/62, Revenue Source Code No. 5425, Disaster Cost Reimbursement from Federal Government, to repay Building and Safety Permit Enterprise Fund No. 48R0/08 loan for activities related to the Palisades Fire. [Council file No. (CF) 25-0006-S48]
 - b. Authorize the Controller to rescind Recommendation No. 41 of the 2025-26 Third FSR (CF 25-0600-S133) which authorized Executive Director, Bureau of Street Lighting, to disburse up to \$1,425.90 from the Digital Inclusion Fund to pay invoice from the Housing Authority of the City of Los Angeles (HACLA), and replace with the following:
 - i. Authorize the Executive Director, Bureau of Street Lighting, or designee, to disburse up to \$4,611.61 from the Digital Inclusion Fund, Universal Broadband Services Account, to pay revised Invoice No. 1-2025-03-09 from the HACLA for items that were purchased for Digital Inclusion Project - Modernize HACLA Labs.
 - c. Add a recommendation to transfer \$217,389.35 from various accounts within the Department of Aging, Youth Development Department, and Economic and Workforce Development Department Fund No. 100 as follows:

From:

Fund/Dept	Account No.	Account Name	Amount
100/02	001010	Salaries, General	\$ 39,975.25
100/02	001070	Salaries, As-Needed	5,833.10
100/19	001010	Salaries, General	9,911.00
100/19	001070	Salaries, As-Needed	809.00
100/22	001010	Salaries, General	154,233.00
100/22	001070	Salaries, As-Needed	4,535.00
100/22	001090	Overtime General	2,056.00
100/22	003310	Transportation	37.00
Total:			\$ 217,389.35

To:

Fund/Dept	Account No.	Account Name	Amount
100/21	001010	Salaries, General	\$ 204,119.25
100/21	001070	Salaries, As-Needed	11,177.10
100/21	001090	Salaries, Overtime	2,056.00
100/21	003310	Transportation	37.00
Total:			\$ 217,389.35

- d. Add a recommendation to establish a new appropriation account and transfer \$3,700 from the Other Programs for the Aging Fund No. 410/02, Account No. 021021, Enrollee Wages to the Other Programs for the Aging Fund No. 410/21, Account No. 211021, Enrollee Wages.

- e. Add a recommendation to establish a new appropriation accounts and transfer appropriations from various funds and accounts totaling \$42,805.26 as follows:

From:

Fund/ Dept	Fund Name	Account	Account Name	Amount
385/94	Proposition A Local Transit Fund	94C102	Aging	\$ 5,906.27
395/02	Area Plan for the Aging Title 7 Fund	02C102	Aging	22,776.33
410/02	Other Programs for the Aging Fund	02C102	Aging	1,865.78
424/21	Community Development Trust Fund	21C102	Aging	1,990.04
597/02	Fund for Senior Services	02C102	Aging	1,162.98
42J/02	Senior Human Services Program Fund	02C102	Aging	569.09
47Y/02	Health Insurance Counseling and Advocacy Program Fund (HICAP)	02C102	Aging	835.43
57E/02	Supplemental Nutrition Assistance Program Education	02C102	Aging	2,258.84
67A/02	Funds for Other Aging Grants and Miscellaneous Programs	02C102	Aging	5,440.50
Total:				\$ 42,805.26

To:

Fund/ Dept	Fund Name	Account	Account Name	Amount
385/94	Proposition A Local Transit Fund	94C121	Community Investment	\$ 5,906.27
395/21	Area Plan for the Aging Title 7 Fund	21C121	Community Investment	22,776.33
410/21	Other Programs for the Aging Fund	21C121	Community Investment	1,865.78
424/21	Community Development Trust Fund	21C121	Community Investment	1,990.04
597/21	Fund for Senior Services	21C121	Community Investment	1,162.98
42J/21	Senior Human Services Program Fund	21C121	Community Investment	569.09
47Y/21	Health Insurance Counseling and Advocacy Program Fund (HICAP)	21C121	Community Investment	835.43
57E/21	Supplemental Nutrition Assistance Program Education	21C121	Community Investment	2,258.84
67A/21	Funds for Other Aging Grants and Miscellaneous Programs	21C121	Community Investment	5,440.50
Total:				\$ 42,805.26

- f. Add a new appropriation account and transfer \$160,861 from the Workforce Innovation and Opportunity Act (WIOA) Fund No. 57W, Account No. 22C122, to WIOA Fund 57W/21, Account No. 21C121, Community Investment.

2. AMEND the Fourth (Year-End) FSR as follows:

- Reduce the transfer from the Unappropriated Balance, Reserve for Mid-Year Adjustments to the City Attorney – Outside Counsel Account for outside counsel contracts by \$4,534,723 (Attachment 6).
- Remove the \$260,000 transfer from the Unappropriated Balance, Reserve for Mid-Year Adjustments Account to the Bureau of Sanitation – Overtime for June 2026 (Attachment 6).

- c. The remaining Bureau of Street Services funds in FY 2025-26 for work going forward shall be used for pavement preservation and curb ramps improvements as previously approved in the FY 2025-26 Budget.

Fiscal Impact Statement: The CAO reports that a total of \$81.45 million in projected over-expenditures are identified in the Fourth (Year-End) FSR; and, recommends transfers, appropriations, and other budgetary adjustments totaling \$477.35 million in Sections 1, 2, and 4 of said report.

Financial Policies Statement: The CAO reports that the recommendations in said report comply with the City's Financial Policies as the recommended transactions use current revenues and balances to pay for current operations.

Community Impact Statement: None submitted

SUMMARY

At a Special meeting held on June 4, 2026, your Budget and Finance Committee considered the CAO report, dated June 2, 2026, relative to the Fourth (Year-End) FSR for FY 2025-26. A CAO's Office representative provided an overview and presented proposed amendments to the FSR. Representatives of various City departments answered questions from Members of the Committee. Councilmember Yaroslavsky introduced a Motion, which was seconded by the Councilmember Blumenfield, instructing the CAO to revise the Fourth (Year-End) FSR to remove \$4.5 million from the transfer to the City Attorney – Outside Counsel Account for outside counsel contracts; and, to remove \$260,000 for Bureau of Sanitation – Overtime for June 2026. Councilmember McOsker introduced a Motion, which was seconded by Councilmember Yaroslavsky, instructing that the remaining Bureau of Street Services funds in FY 2025-26 for work going forward be used for pavement preservation and curb ramps improvements as previously approved in the FY 2025-26 Budget. After consideration and having provided an opportunity for public comment, the Committee recommended that Council approve the item as amended, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
YAROSLAVSKY:	YES
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	YES
HERNANDEZ:	YES

AXB
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-NOT OFFICIAL UNTIL COUNCIL ACTS-