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LA City Controller Kenneth Mejia Releases Financial Report, “Leveraging Idle Special Funds,” and Finds Unspent Money: Recommends City Spend \$51 Million in Idle Funds, Including \$10 Million for Housing & Homelessness

In analyzing \$5.43 billion dollars held in 661 different special funds, the City Controller’s Office discovered 203 special funds that have had no activity for at least two years. Astonishingly, 62 of them have been untouched for more than ten years.

While there are often specific restrictions on expenditures from these funds, the analysis shows more than **\$50 million in idle resources** that city departments should deploy to meet the purposes for which the funds were collected. This includes more than **\$10 million earmarked for vital housing and homelessness functions**.

[Click here to read full report](#)

Summary of Idle Funds as of April 30, 2023		
Function	Amount	No. of Funds
Community Safety	\$14,012,149	34
Economic Development	\$11,706,470	47
Sanitation & Environment	\$11,027,579	12
Housing & Homelessness	\$10,097,388	10
Other	\$7,426,120	11
Parks	\$7,386,262	7
Social Services	\$4,538,350	21
Transportation	\$3,054,012	8
Public Works	\$1,946,768	6
Streets	\$1,091,630	13
Arts/Culture/Tourism	\$414,507	3
Debt Related	\$172,886	31
Grand Total	\$72,874,120	203

Recommendations for Disposition of Idle Special Funds		
Disposition	Amount	No.
Department should submit an expenditure plan for these funds	\$51,256,199	64
Keep open	\$5,849,043	32
Return funds to the grantor	\$5,529,753	32
Repay Reserve Fund loans owed by these funds, develop plans for remaining balances	\$5,083,329	7
Close fund – evaluate opportunities to leverage remaining cash balance for other needs, and then close the funds	\$2,356,597	34
Return funds to payors	\$894,900	13
Repurpose to another fund within the function and Close fund	\$576,499	11
Transfer excess over \$500K to the General Fund per ordinance	\$501,282	1
Initiate escheatment process	\$367,255	4
Need to determine the disposition of the funds	\$343,981	1
Evaluate for potential transfer to the General Fund	\$115,283	4
Grand Total	\$72,874,120	203

The report offers detailed proposals for utilizing these untouched resources, calling on departments to submit expenditure plans for putting these idle funds to work. Controller Mejia also recommends terminating a number of these funds to redeploy their balances – or to return them to the source, including approximately \$600,000 to the General Fund or General Fund reserves.

Controller Mejia says, “Our commitment to transparency and accountability impels us to continually press for maximizing the impact of public resources. Prudent reserves are vital for long-term fiscal sustainability. Yet letting funds sit in obscure accounts for years at a time shortchanges the people of Los Angeles at a time when they are insisting on greater responsiveness from their City government.”

Chief Deputy Controller Rick Cole adds, “We will continue to monitor the use of public resources and work for systemic change that eliminates bureaucratic barriers which slow progress. As stewards of public funds, making the most of those resources is crucial to rebuilding public trust.”

Controller Mejia thanks the dedicated staff of our Financial Analysis and Reporting team for their timely work on this analysis and report.