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April 8, 2026

Controller Kenneth Mejia Finds Unspent Money: \$80 Million in Idle Funds Could Be Put To Use for the City of LA

Controller Mejia Previously Reported \$73 Million in Idle Funds in 2023

LOS ANGELES – The Office of Los Angeles City Controller Kenneth Mejia this week released the Office’s latest [idle funds report](#), which details special funds with no activity for at least two years. The new report analyzes special funds as of June 30, 2025. Previously, Controller Mejia’s office issued an idle funds report in [2023](#). The Controller’s Office was unable to provide an updated report the last two years due to budget cuts and staffing shortages.

The new report identified \$80.4 million that remains idle in 177 special funds (down from 203 idle funds in 2023). The City has a total of 612 special funds.

Read the report: bit.ly/idlefunds

Special funds can only be used for designated purposes. Notable purposes that idle funds could be used for include \$11.9 million for community safety, \$9.7 million for parks, and \$7.8 million for housing and homelessness.

Controller Mejia said, “We need to put these underutilized funds to work for the people of Los Angeles especially since the City is facing another tough budget year.

“With current General Fund challenges, and upcoming budget discussions in full swing, this is an opportune time to increase efforts to evaluate whether these idle special funds could be leveraged as a one-time funding source to help address budget gaps or other pressing needs in the community.”

“We can’t leave any funds on the table as we work to address longstanding City Hall inefficiencies while continuing our momentum to reduce street homelessness, lower crime, and clean our city streets,” said **Mayor Bass**. “I thank Controller Mejia for his diligence in evaluating how these idle funds – some that have sat untouched for years and years – could be used to address budget gaps and further accelerate our priorities.”

The \$80.4 million in unspent funds can be spent for the following functions:

- \$11.9 million for community safety
- \$10.9 million for economic development
- \$9.7 million for parks

- \$9.5 million for arts, culture, or tourism
- \$7.8 million for housing and homelessness
- \$7.1 million for streets
- \$6.6 million for sanitation and environment
- \$5.7 million for social services
- \$4.3 million for transportation
- \$1.5 million for public works
- \$5.4 million for “other”

Controller Mejia’s Recommendations:

- Short-Term: Use funds or transfer to Reserve Fund as soon as possible
 - Explore the feasibility of tapping the idle funds under the control of each department, as a one-time source of funding for the upcoming FY 2026-27 budget season
 - Repay Reserve Fund loans owed by idle funds with adequate available balances to cover their loans
 - Initiate the escheatment process for old, dormant, and inactive funds, to enable transfers to the Reserve Fund
 - Develop spending plans to program or reallocate available balances in idle funds determined not eligible for transfer to the Reserve Fund

- Long-term: Reduce the number of Idle Special Funds through policy change
 - Develop a policy for automatically disencumbering Idle Fund encumbrances three years or older
 - Consider a policy for incorporating a sunset clause for new Special Funds, after which any remaining funds could be transferred to the Reserve Fund or be returned to originating sources
 - Create a new Departmental Special Fund Creation Form to be completed by Departments to summarize the intent and nature of a new Special Fund being requested
 - Develop a policy to closeout expired and obsolete grant Idle Funds, transfer any leftover funds to the Reserve Fund, especially when insufficient documentation is available to keep them open