

# **Fiscal Update**

Community of the Whole Meeting  
February 24, 2026

# Topics

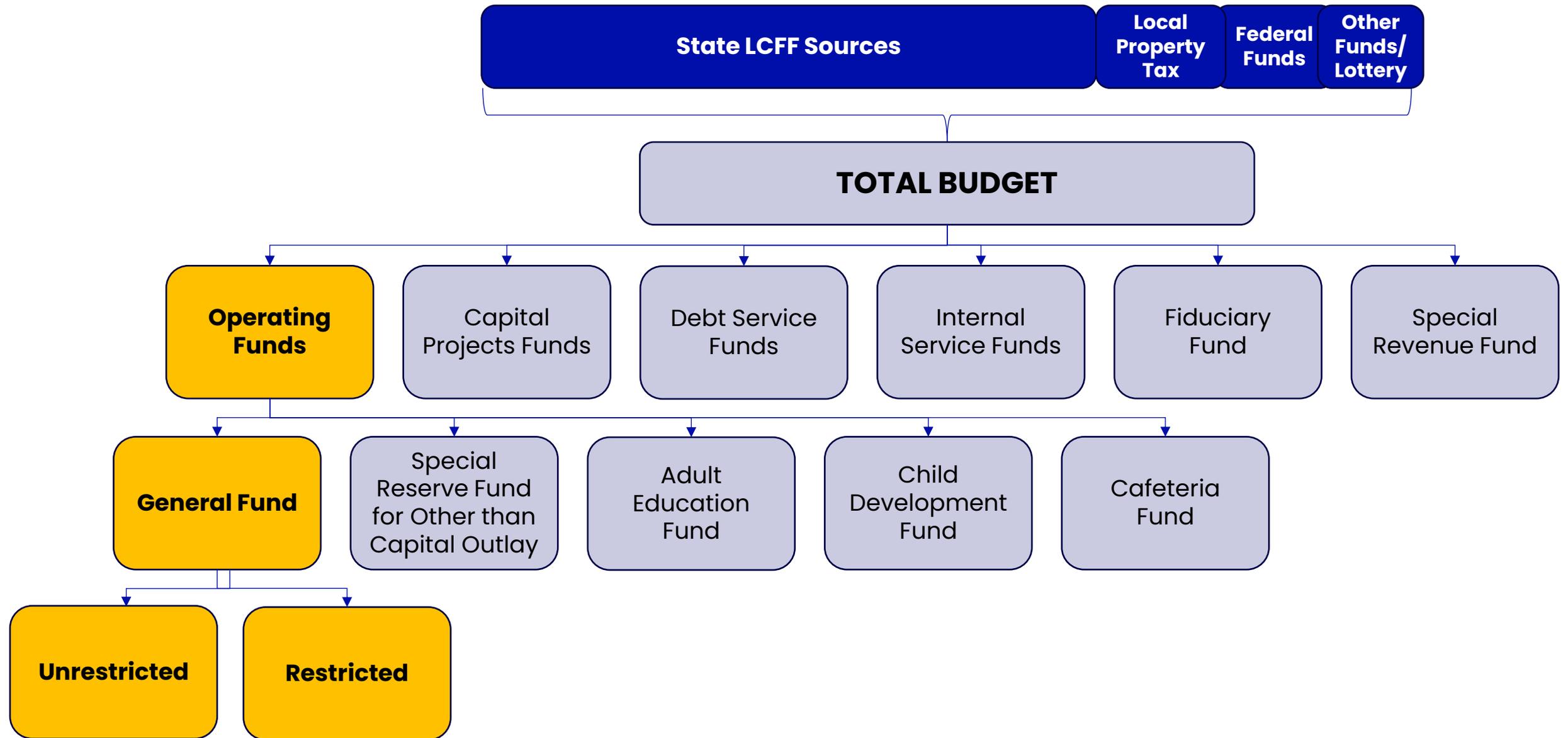
- ❑ District-wide Non-labor Expenditure Analysis
- ❑ Equity Analysis: Change in School-site Total Budget from FY 2026 to FY 2027

# **District-wide Non-labor Expenditure Analysis**

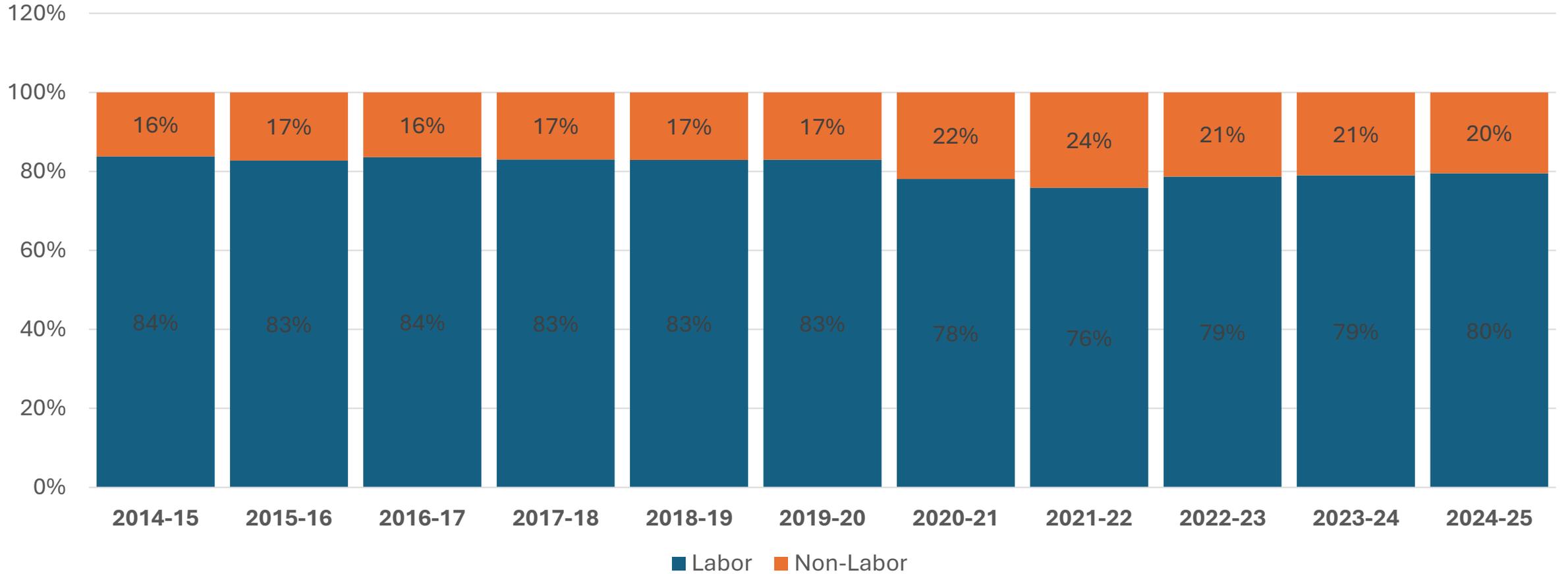
# Overview

- ❑ Data Source: LAUSD's published General Fund Unaudited Actuals, including both Restricted and Unrestricted unaudited actuals.
  
- ❑ Historical Non-labor expenditures:
  - Books and Supplies (Object Code 4000-4999) Expenditures
  
  - Professional Services Contracts (Object Code 5800) Expenditures
  
  - Schools versus Central Offices Non-Labor Expenditures (Object Code 4000 – 6000)
  
- ❑ Budget Trends: Historical, Current and Upcoming Fiscal Years
  - School-sites vs. Central Offices
  
  - Restrict vs Unrestricted Funds

# LAUSD's Overall Budget

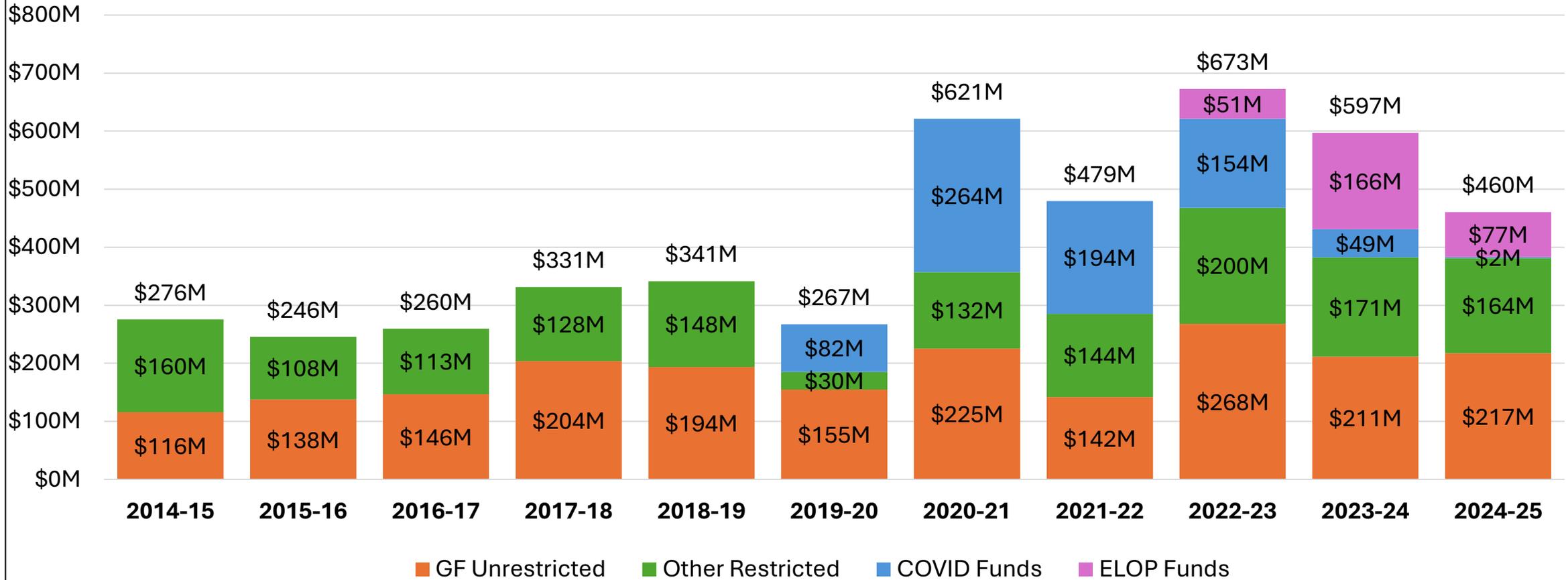


**Total General Fund Labor vs. Non-labor Expenditure**  
**Fiscal Year 2015 -2025**  
(Percentage Distribution)



**Highlight:** Before the pandemic, non-labor spending was stable as a share of the District's total expenditures. With the conclusion of pandemic-related spending and the expiration of ESSER funds, the percentage of non-labor expenditures has declined through fiscal year FY2025.

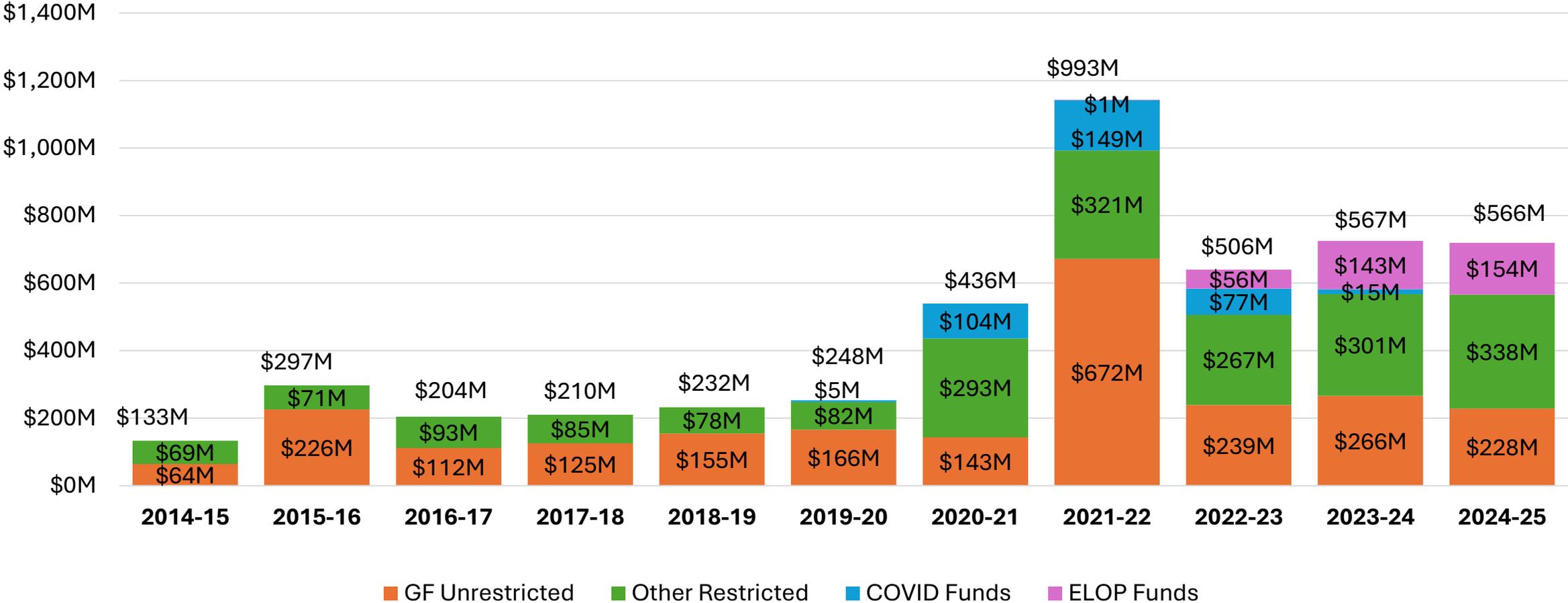
**Total General Fund Expenditures**  
**Books and Supplies (Object Code 4000-4999)**  
*(Dollars in Millions)*



**Highlight:** Library and Textbook account for approx. 25% of the expenditures. Other increases are due to new materials throughout the pandemic to accommodate the shift to distance learning and expanded afterschool programming through ELO-P.

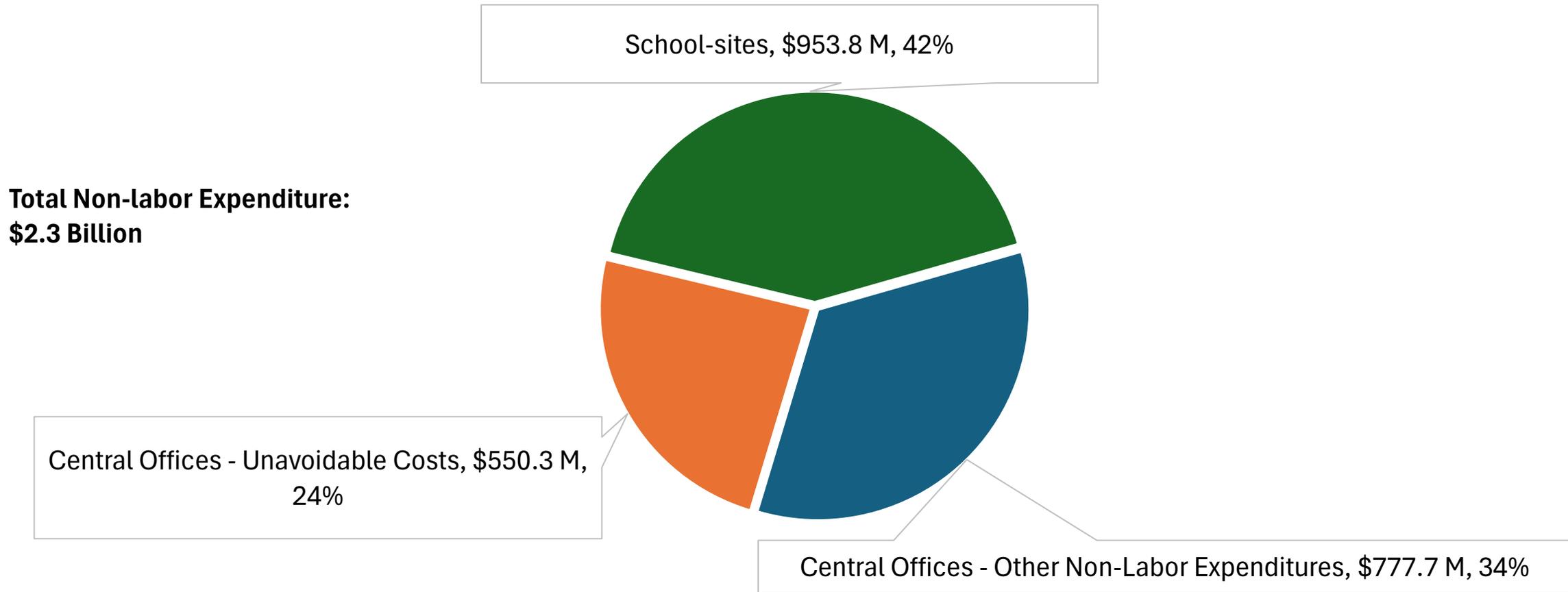
## General Fund Restricted and Unrestricted Professional/Consulting Services Expenditures (Object Codes 5800)

*(Dollars in Millions)*



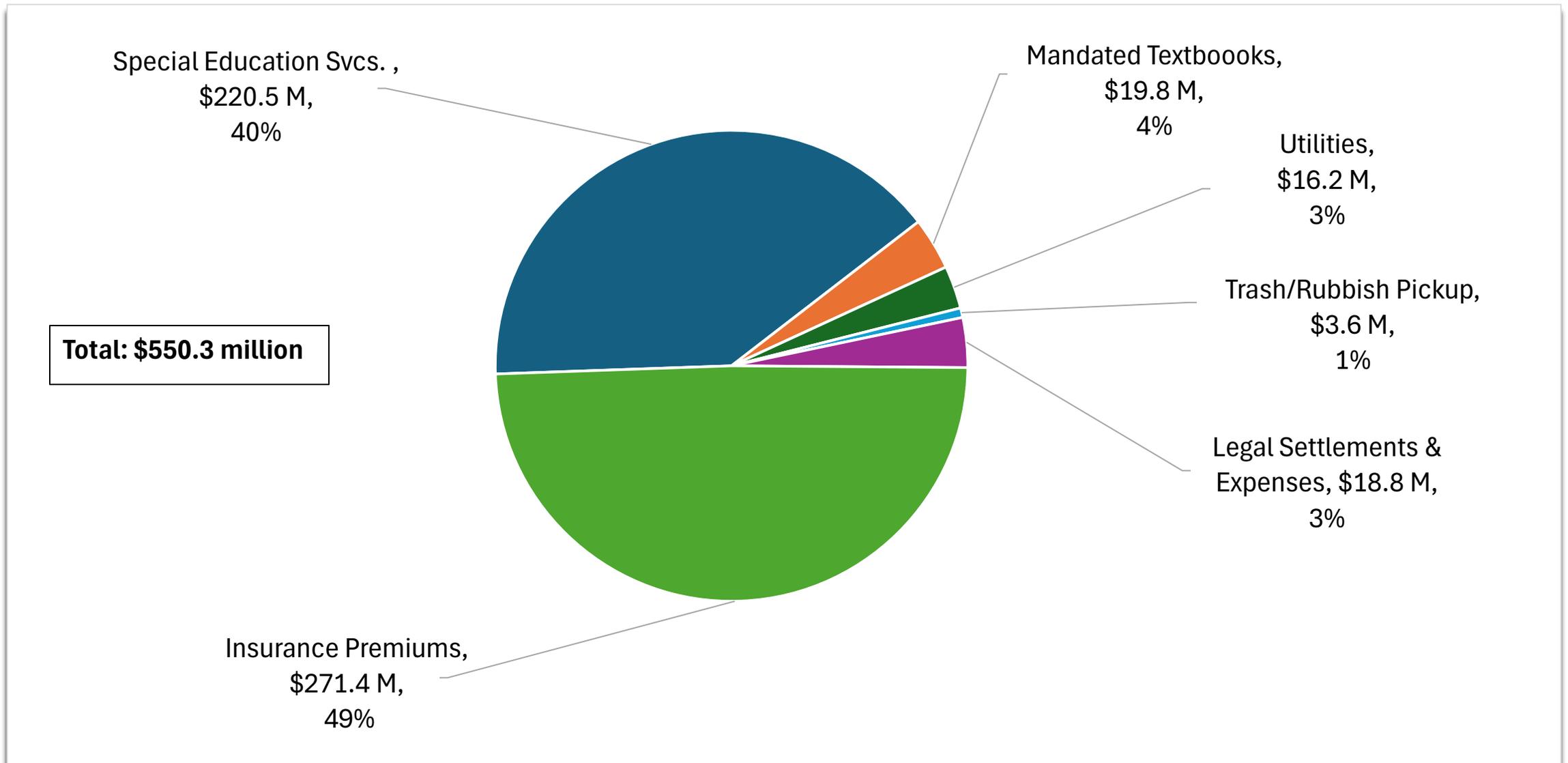
**Highlight:** Since the peak during pandemic, the District's total expenditures have decreased but amounts remain above pre-pandemic levels, partly due to the need to maintain instructional policies that were expanded during the pandemic (e.g., including programs such as tutoring, virtual learning, and Beyond the Bell programs) and increased Special Education costs

**Total School-site versus Central Office General Fund  
Non-labor Expenditure in FY 2024-25 (Object Codes: 5000-5999)  
(Dollars in Millions)**



**Highlight:** In addition to school-site purchases, the District’s professional services expenditures include unavoidable daily operational costs, such as required maintenance, utilities, and trash services, as well as legal costs for settlements and statutorily required support for Special Education.

# FY 2025 Unavoidable Professional Services Costs



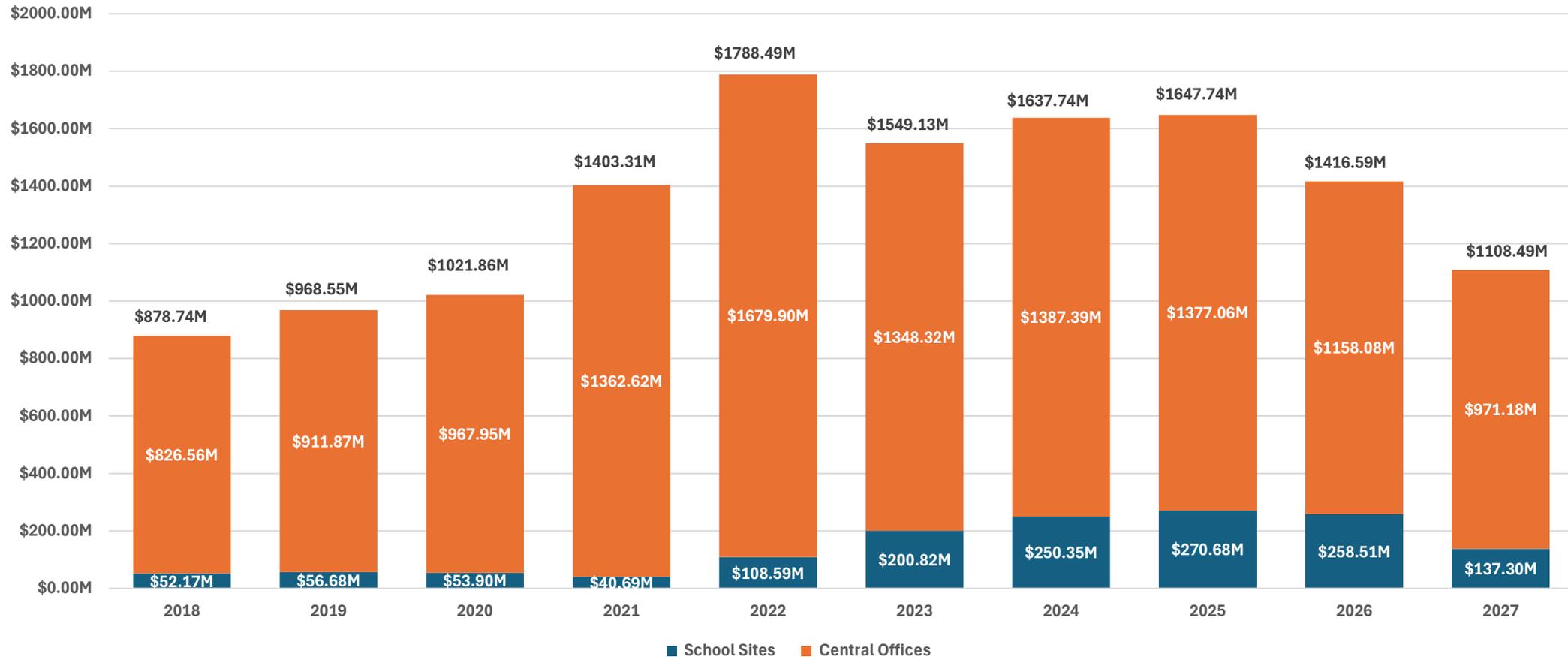
# FY 2025 Other Professional Services Contracts

Below is the spending in FY 2025 within categories of professional services contracts where spending with vendors exceeded \$5 million

- There is a very substantial number of approved contracts and vendors. The District continues to do a deep dive on smaller contracts.

<b>Excerpt of Major Expenditures (&gt;\$5 million)</b>	<b>FY 2025</b>
School Transportation	\$87.4
Tutoring and Afterschool Programs	\$76.1
IT Infrastructure	\$58.7
Computers and Devices	\$26.7
Digital Tools	\$22.3
Election Costs	\$17.1
Printed Materials	\$10.4

## General Fund Restricted and Unrestricted Spending Services and Other Operating Budgets (OC 5000-5999)



**Highlight:** In addition to school-site purchases, the District’s professional services expenditures include unavoidable daily operational costs, such as required maintenance, utilities, and trash services, as well as legal costs for settlements and statutorily required support for Special Education.

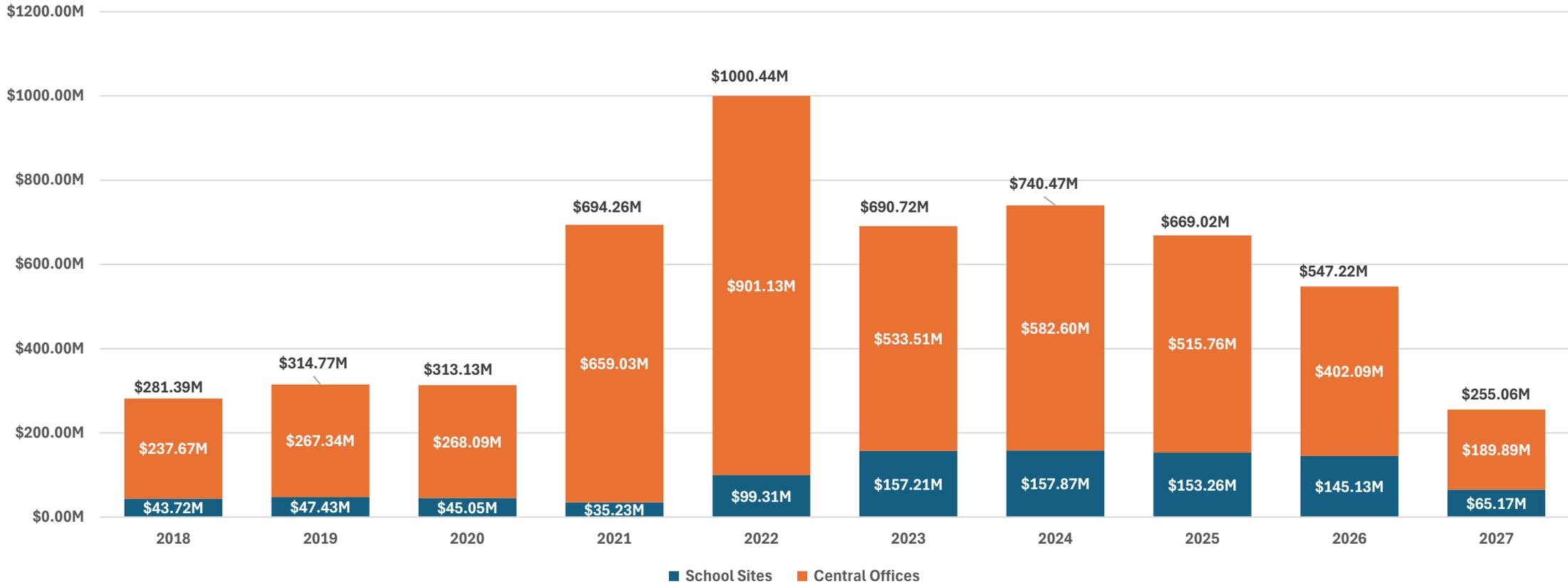
## Budget Trends: Historical, Current and Upcoming Fiscal Years

### Services and Other Operating Budgets (OC 5000-5999)

Fiscal Year	School Sites			Central Offices			Total Budget for Services	Total GF Budget	% of Total Budget
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total			
2018	\$36.83M	\$15.35M	\$52.2M	\$437.96M	\$388.61M	\$826.6M	\$878.7M	\$7,574.8M	12%
2019	\$41.10M	\$15.58M	\$56.7M	\$478.83M	\$433.04M	\$911.9M	\$968.5M	\$8,128.1M	12%
2020	\$40.75M	\$13.15M	\$53.9M	\$540.07M	\$427.88M	\$968.0M	\$1,021.9M	\$8,089.4M	13%
2021	\$31.70M	\$8.99M	\$40.7M	\$446.41M	\$916.22M	\$1,362.6M	\$1,403.3M	\$9,457.2M	15%
2022	\$51.56M	\$57.03M	\$108.6M	\$828.52M	\$851.38M	\$1,679.9M	\$1,788.5M	\$10,984.5M	16%
2023	\$86.37M	\$114.44M	\$200.8M	\$561.99M	\$786.33M	\$1,348.3M	\$1,549.1M	\$11,829.8M	13%
2024	\$112.10M	\$138.25M	\$250.3M	\$574.40M	\$812.99M	\$1,387.4M	\$1,637.7M	\$12,083.2M	14%
2025	\$82.78M	\$187.90M	\$270.7M	\$675.81M	\$701.24M	\$1,377.1M	\$1,647.7M	\$13,120.6M	13%
2026	\$74.59M	\$183.92M	\$258.5M	\$595.70M	\$562.38M	\$1,158.1M	\$1,416.6M	\$12,021.9M	12%
2027	\$28.83M	\$108.47M	\$137.3M	\$485.98M	\$485.20M	\$971.2M	\$1,108.5M	\$10,422.8M	11%

**Highlight:** The total budget for services and other operating expenditures as a percentage of the total general fund budget is less than 15%.

## General Fund Restricted and Unrestricted Spending Professional/Consulting Services Budgets Only (OC 5800)



**Highlight:** The total FY 2027 General Fund budget for Professional/Consulting Services, a subset of Services and Other Operating Expenditures, is \$255 million, 75% lower than in FY 2022, and 53% lower than in the current FY 2026.

## Budget Trends: Historical, Current and Upcoming Fiscal Years

### Professional/Consulting Services Budgets Only (OC 5800)

Fiscal Year	School Sites			Central Offices			Total Budget for Contracts	Total GF Budget	% of Total Budget
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total			
2018	\$30.97M	\$12.74M	\$43.7M	\$164.47M	\$73.19M	\$237.7M	\$281.4M	\$7,574.8M	4%
2019	\$35.01M	\$12.42M	\$47.4M	\$182.05M	\$85.28M	\$267.3M	314.8M	\$8,128.1M	4%
2020	\$34.72M	\$10.32M	\$45.0M	\$198.00M	\$70.09M	\$268.1M	\$313.1M	\$8,089.4M	4%
2021	\$28.09M	\$7.14M	\$35.2M	\$147.42M	\$511.60M	\$659.0M	\$694.3M	\$9,457.2M	7%
2022	\$46.01M	\$53.30M	\$99.3M	\$444.73M	\$456.40M	\$901.1M	\$1,000.4M	\$10,984.5M	9%
2023	\$78.06M	\$79.15M	\$157.2M	\$155.99M	\$377.52M	\$533.5M	\$690.7M	\$11,829.8M	6%
2024	\$102.02M	\$55.85M	\$157.9M	\$184.08M	\$398.52M	\$582.6M	\$740.5M	\$12,083.2M	6%
2025	\$76.64M	\$76.62M	\$153.3M	\$182.86M	\$332.90M	\$515.8M	\$669.0M	\$13,120.6M	5%
2026	\$71.04M	\$74.09M	\$145.1M	\$215.11M	\$186.98M	\$402.1M	\$547.2M	\$12,021.9M	5%
2027	\$27.34M	\$37.83M	\$65.2M	\$117.63M	\$72.26M	\$189.9M	\$255.1M	\$10,422.8M	2%

**Highlight:** The total general fund budget for professional services as a percentage of the total general fund budget is less than 10%.

# Areas for Policy Discussion

## ❑ Non-labor expenditure Areas:

- Tutoring
- One-to-one IT devices for students
- Digital Tools
- Transportation Costs
- Real estate utilization

## ❑ Revenue sharing models and opportunities withing contracting to offset non-labor expenditures (e.g. IT Business Applications)

# **Equity Impact Analysis**

## **Change in School-site Total Budget**

### **FY 2026 to FY 2027**

# School-site Equity Impact Analysis: **Total Budget**

□ **Analysis:** Change in Total Budget Allocation FY 2025-26 vs FY 2026-27, excluding carryover

□ **Results:**

- The decline in **enrollment** was most significant at SENI Highest and High schools
- Enrollment decline is the primary driver for the Change in Total Budget due to the impact on multiple programs, including normed resources, SENI allocations, and other restricted funded resources
- **The % change in total budget will be smaller after the restoration of unfunded positions, particularly at our SENI Highest and High schools**

Quintile	Enrollment Decline	Average Change in Total Budget	# of Schools % Decline >15%	# of Schools % Decline >10%	# of Schools % Decline >5%
Highest	-6.3%	-6.0%	9	40	79
High	-4.9%	-5.1%	6	21	70
Moderate	-4.0%	-3.5%	6	16	57
Low	-2.4%	-1.5%	2	15	32
Lowest	-1.8%	+0.5%	2	3	15
<b>Total</b>	<b>-3.9%</b>	<b>-3.1%</b>	<b>25</b>	<b>95</b>	<b>253</b>

[School by school budget details](#)

240 schools with less than 5% decline, and 217 schools with .01% - 20% increase

# Ongoing Budget Process

## Next Steps:

- Contracts...
- Equity Analysis...

