



LAUSD
UNIFIED

Facilities Maintenance & Operations: Funding and Job Costs

Facilities Services Division

Facilities and Procurement Committee Meeting
April 22, 2025

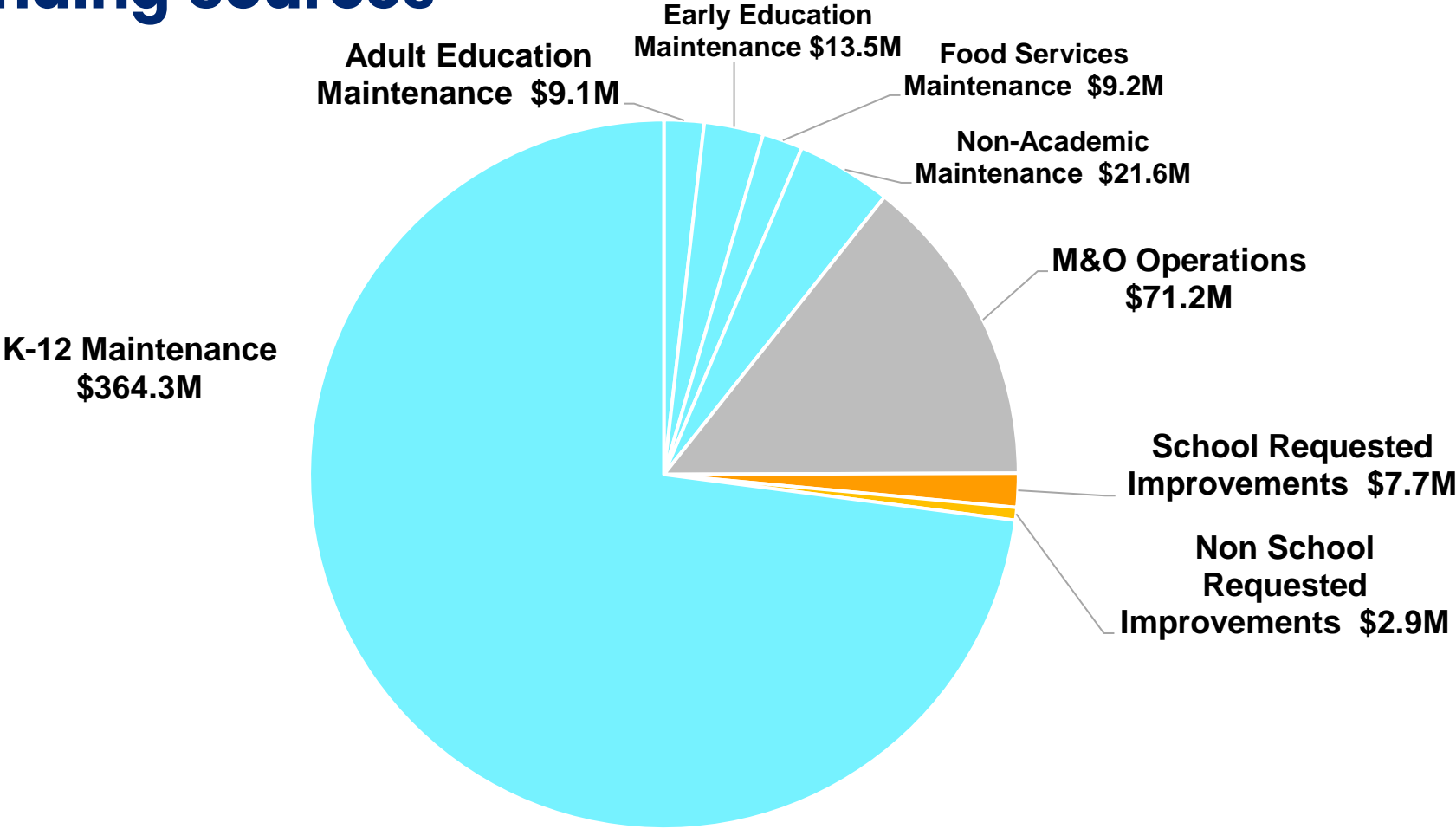
Presentation Overview

- Maintenance and Operations (M&O)
 - Services Provided
 - Funding Sources
 - How Labor is Charged
- Job Cost Accounting
 - Calculating Job Costs
 - Work Order Request Flow

Categories of Work Performed by M&O

	Routine Repair and Maintenance	Operations (Not Repairs)	User Requested Alterations & Improvements
Types of Work	<ul style="list-style-type: none"> • Maintenance Service Calls • Emergency Repairs • Routine Repairs • Routine Replacements: HVAC Filters • Routine Inspections – Fire Alarms, Fire Sprinklers 	<ul style="list-style-type: none"> • Landscaping – tree trimming, mowing fields • Music instrument repair • Pest management • Pool servicing • Custodial Sub-Pool for all Schools 	<ul style="list-style-type: none"> • Change paint colors • Office reconfigurations • Paint school emblem • Install privacy screens • Install art work • Trophy case
Type of Funding	GF Restricted: Routine Restricted Maintenance Account (RRMA) CA Education Code §17070.75(b)(2)(A)	GF – Unrestricted	Requester Funded: <ul style="list-style-type: none"> • School • Region Office • Admin – ex LASP
Accounting Method	Job Cost	Job Cost	Job Cost

Funding Sources



Labor: Who Charges Where

Positions performing various functions across LAUSD are budgeted to M&O funding sources if they support the work being done

<u>Function / Organization</u>	<u>Direct or Indirect Cost</u>	<u>How Budgeted?</u>	<u>Charged to Jobs?</u>
Procurement	Indirect	Centrally	No
ITS	Indirect	Centrally	No
PC/HR	Indirect	Centrally	No
Accounts Payable	Indirect	Centrally	No
OEHS	Indirect	Centrally	No
FSD Senior Management	Indirect	Centrally	No
FSD Program Support	Indirect	Centrally	No
FSD M&O Staff:			
Senior / Area Management	Indirect	Centrally	No
Admin	Indirect	Centrally	No
CPM	Indirect	Centrally	Yes (Jobcost)
Skilled Craft Supervisor	Indirect	Centrally	Yes (Jobcost)
Skilled Craft	Direct	Centrally	Yes (Jobcost)

Skilled Craft includes Carpenters, Plumbers, Painters, Electricians, Welders

Calculating Job Costs: Key Terms

Job cost accounting ensures work (whether maintenance, operations or user requested alterations and improvements) is properly charged:

- To the location where it happened
- To the entity or program that requested it

Job cost estimates include both direct and indirect costs that are budgeted and tracked per job:

Direct Labor: Labor costs directly related to the specific job (workers' salaries & benefits). These costs are based on hourly rates for individual classifications and the hours estimated/actually worked on the job.

Direct Material: Estimated/actual costs for the items used on the specific job. Examples include drywall, wood, paint, wiring, TVs, projectors, whiteboards, etc.

Calculating Job Costs: Key Terms

Direct Labor: workers' salaries & benefits

Fiscal Year 25 Costs			Classification				
			Painter	Sr. Painter	Electrician	Carpenter	Plasterer
Regular Hourly Rate (Salary)			\$37.81	\$41.58	\$53.56	\$48.76	\$45.26
Benefits	How Determined	% of Regular Rate or Fixed Amount*	Implied Hourly Rate Based on 2,080 Hours per Year				
Medicare	% of Regular Rate	1.45%	\$0.55	\$0.60	\$0.78	\$0.71	\$0.66
OASDHI (Social Security)	% of Regular Rate	6.20%	\$2.34	\$2.58	\$3.32	\$3.02	\$2.81
Public Employee Retirement System	% of Regular Rate	27.05%	\$10.23	\$11.25	\$14.49	\$13.19	\$12.24
State Unemployment Insurance	% of Regular Rate	0.05%	\$0.02	\$0.02	\$0.03	\$0.02	\$0.02
Workers Compensation	% of Regular Rate	1.74%	\$0.66	\$0.72	\$0.93	\$0.85	\$0.79
Medical/Dental/Vision/Life Insurance	Fixed/Position/Year	\$18,400	\$8.85	\$8.85	\$8.85	\$8.85	\$8.85
Benefits for Retirees	Fixed/Position/Year	\$5,400	\$2.60	\$2.60	\$2.60	\$2.60	\$2.60
Other Post-employment Benefits	Fixed/Position/Year	\$700	\$0.34	\$0.34	\$0.34	\$0.34	\$0.34
Total Benefit Rate / Hour			\$25.58	\$26.95	\$31.32	\$29.57	\$28.30
Regular Rate			\$37.81	\$41.58	\$45.26	\$45.26	\$45.26
Benefit Rate (Fringe + Health)			\$25.58	\$26.95	\$31.32	\$29.57	\$28.30
Total Burdened Hourly Rate (2080 Hours/Year)			\$63.39	\$68.54	\$76.59	\$74.83	\$73.56
Benefit Rate as % of Total Burdened Rate			40.3%	39.3%	40.9%	39.5%	38.5%

* From Budget Services Financial Guide No. 1 for FY 24-25 Dated 5/8/2024

Calculating Job Costs: Key Terms (cont.)

Indirect Labor: Costs not directly tied to a specific job but are necessary for operational support. Supervisors (salaries & benefits), etc.

Non-Productive Time: Examples: vacation, illness, workers comp, training, holidays, FMLA, Jury Duty, Kin Care, etc. Costs are allocated to each job.

Indirect Materials: Cost of materials that are required to be able to do all jobs – drill sets, ladders, tape measures, cutters, vice grips, cordless saws, ratchet sets, etc. Costs are allocated to each job.

Calculating Job Costs: Key Terms (cont.)

Indirect costs are allocated to each job based on a calculation (**Cost Work Sheet**) that is determined at the beginning of the Fiscal Year.

A **Cost Work Sheet** looks at historical actual costs and determines an indirect rate that will be applied to all jobs done by the job cost section.

The **indirect labor rate** is determined by calculating the percentage of all actual indirect costs relative to direct labor.
(Total Indirect Labor / Total Direct Labor)

The **non-productive labor rate** is determined by calculating the percentage of all non-productive costs relative to the direct labor.
(Total Non-productive Labor / Direct Labor)

These costs are applied to each job proportional to the direct costs of a job.

Calculating Job Costs: Work Request



User Requested
Improvement

Time and Materials Budget (Direct Costs)

- Number hours of specific job classifications required
- Quantity and type of materials required

Cost Work Sheet

Calculation of
indirect labor
material and
non-productive
cost rates

Calculation of Indirect Costs

Indirect Labor, Indirect
Materials and Non-
Productive Costs

Job Cost Estimate

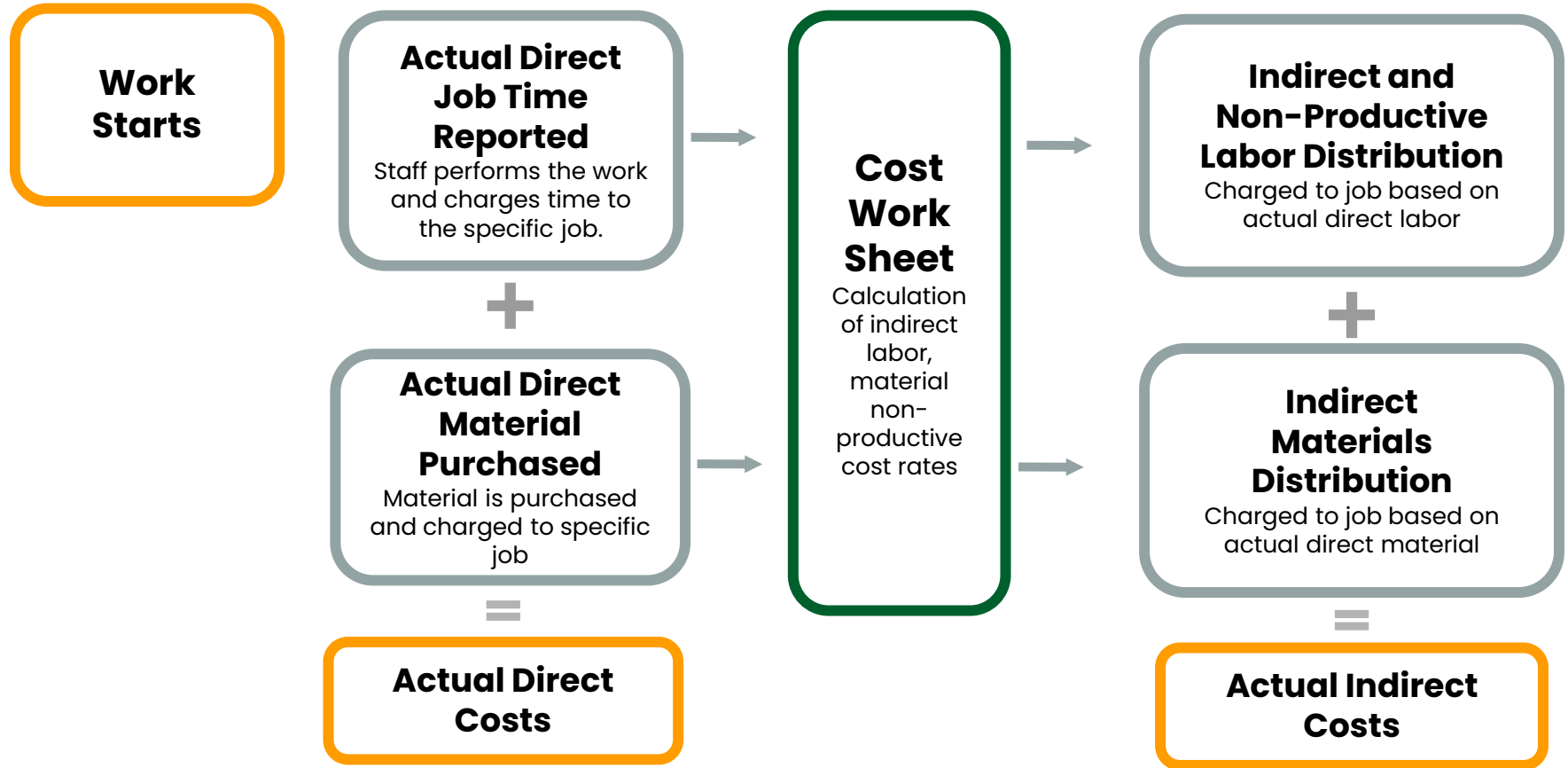
Includes Time & Materials
Plus Calculation of
Indirect Costs

Requestor Reviews/ Approves Estimate

For approval prior to the start
of work

With Approval Work Starts

Calculating Job Costs: Work Request



Job Cost Accounting

Trackable & Transparent

- Projects span hundreds of sites
- Final scopes and locations are unknown during annual budget planning
- Job cost accounting ensures work is properly charged:
 - To the location where it happened
 - To the person or program that requested it

Compliance with Funding Rules

- **Restricted funds, RRMA**, must be used for:
 - Ongoing & major maintenance that keeps facilities in state of good repair
 - Examples: roofing, HVAC, flooring, painting, window coverings, cabinets, fixtures

Job Cost Accounting (cont.)

- All salaries and benefits are paid regardless of how many jobs are being worked during a given timeframe.
 - Costs are collected centrally and then distributed monthly to all of the individual jobs that were worked during that month.
 - The goal is to assign a fair share to each job, reflecting all costs necessary to complete a job.
- Job cost is not “paying twice.” Costs are incurred once via the payroll/benefit payments or materials purchase. Then costs are distributed to all the active jobs during the period in which the costs were incurred.
- **If the actual cost of a job is less than the job cost estimate, the remaining amount is released to the requestor.**

Questions