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County of Los Angeles CHIEF EXECUTIVE OFFICE

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FESIA A. DAVENPORT
Chief Executive Officer

November 30, 2021

To: Supervisor Hilda L. Solis, Chair
Supervisor Holly J. Mitchell
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Fesia A. Davenport
Chief Executive Officer

Arlene Barrera
Auditor-Controller

Board of Supervisors
HILDA L. SOLIS
First District

HOLLY J. MITCHELL
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

SHERIFF'S DEPARTMENT BUDGET STATUS REPORT (ITEM NO. 2D-8, AGENDA OF JUNE 26, 2017)

On June 26, 2017, the Board of Supervisors (Board) directed the Chief Executive Officer (CEO), and the Auditor-Controller, in consultation with the Los Angeles County Sheriff's Department (LASD or Department), to report to the Board semi-annually with an overview of the financial status of LASD. The Board further instructed that the report include the number of vacancies compared to budgeted positions, actual overtime costs compared to budgeted overtime amount, funding and resources dedicated to unincorporated areas of the County of Los Angeles (County), and emerging issues with significant fiscal impacts to the LASD budget. Attached is a more detailed Financial Status Report.

Introduction

The Sheriff is the chief law enforcement officer of the County, enforces State laws and County ordinances in the unincorporated areas, and is responsible for maintaining public safety in all 88 cities within the County. LASD provides bailiff services to the Los Angeles Superior Court and general law enforcement services to unincorporated areas, 42 contract cities, the Southern California Regional Rail Authority, the Los Angeles County Metropolitan Transportation Authority, and the Community College Districts (contract expires on June 30, 2022). LASD also has seven custody facilities providing placement, housing, and care for a daily average population of 13,387 pre-sentenced and sentenced individuals in County jails, inclusive of 1,694 individuals sentenced and awaiting transfer to State prison.

Fiscal Year (FY) 2020-21 Closing Summary

The LASD FY 2020-21 adjusted budget is \$3.6 billion, with a general fund net County cost of \$1.9 billion. LASD's budget includes 11 budget units: Administration, Clearing Account, County Services, Court Services, Custody, Detective Services, General Support Services, Patrol-Clearing, Patrol-Contract Cities, Patrol-Specialized and Unallocated, and Patrol-Unincorporated Areas. LASD had 17,095 budgeted positions (10,320 - sworn; 6,775 - professional staff), of which 16,327 were filled as of June 29, 2021.

Highlights of the FY 2020-21 Closing are as follows:

- In our June 8, 2021 report to the Board, we indicated that LASD was projecting a net adjusted deficit of \$5.4 million for FY 2020-21. LASD ultimately closed FY 2020-21 with a net adjusted surplus of \$22.2 million.
- For FY 2020-21, the net adjusted surplus includes the repayment of the \$63.4 million loan provided to address the Department's FY 2018-19 deficit.
- LASD made progress in managing fiscal operations and ended FY 2020-21 with a surplus; however, the mitigation efforts to achieve a balanced budget were mostly one-time in nature and cannot be relied upon by LASD on an ongoing basis.
- Reduced overtime costs continue to be the most impactful action taken by LASD to mitigate its previously reported budget deficit. Although the Department reduced overtime expenditures by \$99.9 million from FY 2019-20 to FY 2020-21, it still exceeded its \$129.6 million overtime budget by \$50.8 million.

FY 2021-22 Budget

LASD's hard hiring freeze and purchasing controls remain in effect for the FY 2021-22 budget to enhance internal processes and establish controls within LASD to ensure accountability and achieve fiscal responsibility. This includes the set aside of \$143.7 million in appropriation transferred from various LASD budget units to Provisional Financing Uses (PFU). As in the past, CEO will continue to work with LASD to monitor spending and overall budget performance and return to the Board with recommendations to transfer funding from PFU. It is recommended that these controls remain in place until such a time that LASD stabilizes its budget and implements a sound sustainable budget deficit mitigation plan.

Critical Issues and Challenges for FY 2021-22

The Department has identified the following as critical issues or challenges:

- **Academy Classes:** The Department is funded to operate four academy classes per year. The Department seeks additional funding for additional academy classes to address vacancies, attrition, and long-term leave.
- **Community College District:** The contract with the Community College District expires on June 30, 2022, which may result in a loss of revenue for the Department.
- **State Inmate Population:** The State reimbursement rate does not fully cover the actual costs of the care of the justice-involved individuals awaiting transfer to the California Department of Corrections and Rehabilitation; therefore, LASD/County is left to absorb the gap in funding and negatively impacts the Department's budget.
- **Custody Operations:** The Department seeks additional staff to address an increase in jail population, enhanced access to care, and social distancing requirements and compliance with settlement agreements.
- **Trial Court Funding:** Historical underfunding by the State for trial court security services remains an issue.
- **Peace Officer Standards and Training (POST) Mandated Training:** The Department reports that mandatory POST training is currently underway for all sworn personnel including Sergeant supervisory school and management training for Lieutenants.
- **Crime, Homelessness, and Illegal Cannabis:** The Department seeks additional funding to address these emerging issues, the related needs in the community, and to reduce increasing crime rates.
- **Expansion of Homeless Outreach Service Teams (HOST):** The County's investment in the expansion of LASD'S HOST Teams will provide the Department with the resources needed to respond to the communities' needs more readily in providing linkages to services.
- **Technology/Infrastructure/Equipment Investment:** Technology, infrastructure, and capital equipment needs that have long been deferred and require funding for replacement.

Conclusion

County departments continue to face operational and financial challenges during this ever evolving and uncertain economic outlook. LASD's FY 2020-21 closing relied on both one-time and ongoing solutions to fund ongoing costs; therefore, it is incumbent upon LASD to implement additional ongoing mitigation efforts, to ensure a balanced budget in this year and future fiscal years. This includes continued efforts to maintain reduced overtime costs where feasible and budgetary efficiency to close the fiscal year with a balanced budget. The CEO remains available to assist LASD in addressing its fiscal challenges and minimizing, to the extent feasible, any impact to departmental operations. As issues arise throughout the year, the Board will be notified, and financial strategies will be identified and pursued, including closely monitoring spending as needed to ensure LASD continues to appropriately manage its budget. Unless otherwise instructed by the Board, this is the final semi-annual report to the Board in response to this motion. The CEO will transition to providing reports to the Board on an as-needed basis going forward or upon receipt and assessment of a sustainable mitigation plan from LASD.

Should you have any questions concerning this matter, please contact me or René Phillips at (213) 974-1478 or rphillips@ceo.lacounty.gov.

FAD:JMN:MM
SW:RCP:JV:AP:cc

Attachments

c: Executive Office, Board of Supervisors
 County Counsel
 Sheriff
 Auditor-Controller
 Treasurer and Tax Collector

Fiscal Year 2020-21 Closing Summary

On October 4, 2021, the Auditor-Controller and Chief Executive Office (CEO) issued their annual report of the year-end balances. This report identified year-end closing balances for the various County of Los Angeles (County) budget units for Fiscal Year (FY) 2020-21. In the report, the Sheriff's Department (LASD or Department) closed FY 2020-21 with a net County cost (NCC) surplus of \$182.1 million (Table 1: C15). The largest portion of the surplus was related to \$144.2 million in Proposition (Prop.) 172 revenue received above the Department's budgeted revenue amount. Prop. 172 is a statewide public safety sales tax-based revenue that counties and cities throughout the State received based on a 1993 ballot measure. Pursuant to State law, counties and cities are to sustain a maintenance of effort of local funding for public safety costs to receive the Prop. 172 revenues from the State. The County has always and continues to meet this requirement. As a long-standing budget County budget practice and since the County meets the maintenance of effort requirements under State law, any Prop. 172 revenue we receive, in excess of the MOE requirement are adjusted out of the Sheriff's budget. After accounting for this, the Department's NCC surplus is \$37.9 million (Table 1: C19).

Table 1 below summarizes LASD's FY 2020-21 year-end closing surplus adjusted for Prop. 172.

Sheriff's Department FY 2020-21 Summary of Year-End Closing \$ in Millions				
Line #	Description	(A) Adjusted Budget	(B) Final Closing	(C) (A) - (B) Adj. Budget vs Final Closing Surplus/(Deficit)
1	<u>Expenditures</u>			
2	Salaries & Employee Benefits (S&EB)	\$2,982.6	\$2,972.4	\$10.2
3	Overtime	129.6	180.4	(50.8)
4	Net S&EB	\$3,112.2	\$3,152.8	(\$40.6)
5	Services & Supplies	373.2	376.9	(3.7)
6	Other Charges	75.6	71.5	4.1
7	Cap Assets - Equipment	16.1	11.3	4.8
8	Total Expenditures	\$3,577.1	\$3,612.5	(\$35.4)
9	<u>Intrafund Transfer (IFT) & Revenue</u>			
10	IFT	110.4	100.5	(9.9)
11	Revenue	1,586.5	1,778.9	192.4
12	Total IFT & Revenue	\$1,696.9	\$1,879.4	\$182.5
13	Total Current Year NCC	\$1,880.2	\$1,733.1	\$147.1
14	Prior-Year Savings/(Deficit)		35.0	35.0
15	Total Net County Cost Surplus			\$182.1
16	Proposition 172 Adjustments:			
17	FY 2019-20 Prior Year			(10.0)
18	FY 2020-21 Current Year			(134.2)
19	Total Net County Cost Surplus Adjusted for Proposition 172			\$37.9

Table 2 below starts where Table 1 left off – with a \$37.9 million NCC (after accounting for Prop. 172 adjustment). The final year-end closing surplus of \$37.9 million (Table 2: B1) was impacted by several unaccounted-for factors, including unreimbursed costs and revenue not transferred to the Department, totaling \$63.5 million (Table 2: B8). Additional explanation of unreimbursed COVID-19 housing costs for inmates awaiting transfer to State prison (Table 2: B4) is provided below. These factors were partially offset by \$1.3 million in judgments and damages for funding provided in excess of actual cost (Table 2: B9); \$1.1 million in lost grant revenue from the California Department of Parks and Recreation, Division of Boating and Waterways Boating Safety and Enforcement Financial Aid program due to non-compliance with grant terms (Table 2: B10); and \$13.4 million in carry-over and one-time funding requests for projects/programs to be completed in FY 2021-22 (Table 2: B17). The impact of these adjustments is a net adjusted surplus of \$85.6 million (Table 2: B18).

With an adjusted net surplus of \$85.6 million, LASD is in a financial position to repay the full \$63.4 million loan provided to address the Department's FY 2018-19 deficit for a net adjusted surplus of \$22.2 million (Table 2: B20). LASD does not agree that they should be held solely responsible for its FY 2018-19 deficit. LASD contends that this deficit is due in part to its obligation to provide a level of service within the County custody facilities to comply with various settlement agreements, which exceeds the level of funding provided by the CEO/Board by nearly \$50.0 million annually. The Department has not yet provided supporting documentation to verify this need. A more detailed report, including variances by major budget categories, is reflected in Exhibit A.

<div>TABLE 2</div> <div>Sheriff's Department</div> <div>FY 2020-21 Summary of Year-End Closing - Net Adjusted Surplus</div> <div>\$ in Millions</div>			
Line #	Description	(A) LASD Surplus/ Deficit Adjustments	(B) Total
1	Total Net County Cost Surplus Adjusted for Proposition 172 (Table 1: C19)		\$37.9
2	Adjustments:		
3	Unreimbursed Cost & Revenue Not Transferred to LASD		
4	COVID-19: Housing Individuals Awaiting Transfer to CDCR	\$46.9	
5	Public Protests	8.1	
6	Fires (Lake and Bobcat)	2.4	
7	Escheated Funds Held in the General Fund	6.1	
8	Subtotal		\$63.5
9	Judgements & Damages Excess Funding		(1.3)
10	Loss of FY20-21 Fire Dept Boating/Waterways Grant		(1.1)
11	Carryover & One-time Funding Requests for FY 2021-22		
12	Body Worn Camera Project	(\$7.1)	
13	Cannabis Consumer Health and Safety Taskforce	(2.5)	
14	Less Lethal Weapons Replacement	(1.6)	
15	Veteran Mental Health Evaluation Team (MET)	(0.7)	
16	Various Other Operational Needs for Critical Projects	(1.5)	
17	Subtotal Carryover & One-Time Funding		(\$13.4)
18	NET ADJUSTED SURPLUS		\$85.6
19	Loan Repayment for FY 2018-19 Net Adjusted Deficit		(63.4)
20	NET ADJUSTED SURPLUS After Loan Repayment		\$22.2

COVID-19 continues to have an impact on Custody operations as it relates to tracking and monitoring COVID-19-related issues and ensuring compliance with the County's Health Officer Orders, supplying the jail population and staff with personal protective equipment, testing kits, and cleaning supplies, and a gap in funding from the costs of housing justice-involved individuals awaiting transfer to the California Department of Corrections and Rehabilitation (CDCR). The \$46.9 million (Table 2: A4) gap in funding is based on the difference between the Auditor-Controller calculated prisoner maintenance rate of \$162.82 per day and the State rate of \$93.54 per day. The State reimbursement rate does not fully cover the actual costs of the care of the justice-involved individuals awaiting transfer to CDCR; therefore, LASD/County is left to absorb the shortfall. The Jail Closure Implementation Team (JCIT) recently facilitated a meeting with LASD and State representatives, including the secretary of the CDCR and the Office of Governor Gavin Newsom, and obtained a commitment by the State to target the transfer of as many as 400 people a week out of County custody to the State and to establish a local program of State parole to effectuate the release of prisoners directly from County jails to community programs. From September 15, 2021 to November 1, 2021, 955 were transferred. Table 3 below summarizes the monthly count of individuals awaiting transfer to CDCR for the period July 6, 2020 to November 1, 2021.

TABLE 3 Sheriff's Department - Awaiting Transfer to CDCR			
Date	Male	Female	Total
7/6/2020	795	79	874
8/3/2020	976	98	1,074
9/14/2020	1,481	144	1,625
10/5/2020	1,816	136	1,952
11/2/2020	1,958	123	2,081
12/1/2020	2,794	156	2,950
1/1/2021	2,968	159	3,127
2/1/2021	3,337	183	3,520
3/1/2021	3,692	209	3,901
4/1/2021	3,785	103	3,888
5/4/2021	3,805	55	3,860
6/1/2021	3,607	32	3,639
7/1/2021	3,348	43	3,391
8/2/2021	3,293	38	3,331
9/1/2021	2,914	34	2,948
10/1/2021	2,464	45	2,509
11/1/2021	1,636	58	1,694

FY 2020-21 Budget Mitigation Status

The estimated net adjusted surplus of \$22.2 million (Table 2: B20) is the result of \$134.4 million in primarily one-time departmental actions reflected in the final closing, as follows:

- Reduced Overtime Expenditures from Prior Year (\$99.9 million):**
 Reduced overtime costs continue to be the most impactful action taken by LASD to mitigate its previously reported budget deficit. Although the Department reduced overtime expenditures by \$99.9 million from FY 2019-20 to FY 2020-21, it still exceeded its \$129.6 million overtime budget by \$50.8 million (Table 1: C3).

LASD reports that reductions in overtime spending were achieved by a concerted effort to make operational changes to reduce overtime usage and was partially made possible by the COVID-19 pandemic and the resulting economic and operational shutdown necessary to comply with the County's Health Officer Orders. Specific operational changes included, but were not limited to, the temporary reassignment of custody staff, patrol staff, and sworn administrative personnel to duties that would have otherwise been met with personnel working overtime. The temporary reassignments negatively impact investigative casework and full-time operational output and supervision. In addition, the suspension of court operations, jail visitation, training/education and reduced law enforcement/security needs at County facilities, schools, and public/private events all significantly contributed to the ability to deploy staff and reduced overtime usage in FY 2020-21 when compared to FY 2019-20.

LASD reports that the overtime cost mitigation effort from FY 2020-21 is not sustainable at last year's level due several reasons including, but not limited to: LASD reinstituting mandated training; the Department's need to respond to an increasing number of public records act requests; the increase in violent crime/homicides and the related casework; narcotic enforcement; and a reduction in the number of budgeted academy classes from twelve to four resulting in a slowdown in LASD's ability to fill vacancies and therefore requiring the use of overtime to address the vacancy. The unsustainable nature of the overtime savings is evident as LASD's overtime is on the rise - actual monthly July 2021 through October 2021 expenditures are higher when compared to FY 2020-21; however, costs remain lower than the same time-period in FY 2019-20. Focused efforts to maintain reduced costs in this area are essential for LASD to achieve a balanced budget in FY 2021-22 and future fiscal years.

Table 4 below provides a comparison of year-to-date overtime expenditures by accounting period. A more detailed report, including a comparison of overtime expenditures by program budget is reflected in Exhibit B.

TABLE 4				
Sheriff's Department Overtime Expenditures				
Fiscal Year 2019-20 Compared to Fiscal Year 2020-21 and Fiscal Year 2021-22				
Period	FY2019-20	FY2020-21	Variance	FY21-22
July	\$12,395,454	\$6,576,146	(\$5,819,308)	\$9,843,228
August	\$25,303,370	\$13,798,492	(\$11,504,878)	\$22,980,804
September	\$26,985,732	\$14,199,818	(\$12,785,914)	\$23,033,626
October	\$23,039,153	\$17,451,173	(\$5,587,980)	\$22,198,178
November	\$23,764,173	\$16,475,121	(\$7,289,052)	
December	\$23,150,838	\$12,171,095	(\$10,979,743)	
January	\$22,102,846	\$13,529,937	(\$8,572,909)	
February	\$24,352,514	\$13,214,798	(\$11,137,716)	
March	\$22,355,360	\$11,756,876	(\$10,598,484)	
April	\$21,222,827	\$15,539,863	(\$5,682,964)	
May	\$16,940,520	\$17,303,722	\$363,202	
June	\$30,817,216	\$18,116,015	(\$12,701,201)	
13th Period	\$7,807,471	\$10,246,978	\$2,439,507	
Subtotal	\$280,237,474	\$180,380,034	(\$99,857,440)	
% Decrease			-35.63%	

- **Prior-Year One-Time Savings/Surplus (\$25.0 million):**
Budgetary surpluses achieved from unanticipated prior-year activity provided a one-time solution to address LASD's previously reported deficit. This one-time mitigation is primarily related to the \$15.2 million trial courts security payment for FY 2020-21 that was inadvertently unrecognized in FY 2020-21, \$9.6 million in prior-year commitment cancellations, and \$0.2 million in various other prior-year over-realized revenue.
- **CDCR Reimbursement for FY 2019-20 (\$3.4 million):**
LASD received \$3.4 million in one-time revenue from the State reimbursing the Department for housing justice-involved individuals awaiting transfer to the CDCR for March 2020 through June 2020.
- **Modified Automated Process and Accounting System Trust Fund (\$6.1 million):**
On June 8, 2021, we reported that \$6.1 million of escheated and unaccounted funds in LASD's Modified Automated Process and Accounting System Trust Fund were processed and transferred by the Treasurer and Tax Collector to the County's General Fund in December 2020, providing LASD a one-time revenue solution for FY 2020-21 budget mitigation.

LASD will initiate an annual process to identify and reconcile escheatable accounts. As such, the Auditor-Controller, Treasurer and Tax Collector, and CEO will continue to work with the Department to determine future potential eligible amounts that could assist in closing their budget gap. Going forward it is anticipated that future amounts may be much lower as this latest escheatment process involved several years.

FY 2021-22 Budget

LASD, like the rest of the County, is being impacted by the steady re-opening and uneven economic recovery as the efforts to slowly, but safely, return to a modified version of pre-COVID operations continue. This includes the reopening of the courts, reinstituting jail visitation, and the need to provide enhanced law enforcement services at County facilities, schools, and public/private venues and events.

The economic and social disruption caused by the pandemic created operational and financial challenges for LASD in addition to driving changes needed to address a new COVID 19-induced fiscal and service reality. In addition, the FY 2020-21 Adopted Budget included an across-the-board cut of approximately eight percent of NCC funding to all County departments. For LASD, this resulted in a budget reduction of \$145.4 million in NCC and the elimination of 1,281 positions in various programs throughout LASD, including a reduction in Custody Operations associated with various functions within the County jail system. The curtailment plan relied on a mix of one-time funding and new positions for justice reform programs; and while LASD was able to avert layoffs while providing critical safety services during the pandemic, budgetary challenges persist as the Department balances the demand for services with a leaner budget as the curtailments are sustained into FY 2021-22 budget.

LASD has made progress in managing fiscal operations, achieving a balanced budget for the first time since FY 2016-17 and repaying the \$63.4 million loan provided to address the Department's FY 2018-19 deficit. LASD's hard hiring freeze and purchasing controls remain in effect as part of the Board's October 1, 2019 and April 29, 2020 motions, to enhance internal processes and establish controls within LASD to ensure accountability and achieve fiscal responsibility.

In addition, on October 1, 2019, the Board approved the transfer of \$143.7 million from LASD to the PFU budget unit until a budget mitigation plan was developed, submitted, and implemented by LASD. The Board took this action in response to LASD's increasing budget deficit and required the development of a budget mitigation plan.

LASD reports that the permanent return of the \$143.7 million in budgeted services and supplies and capital assets appropriation will allow the Department to expeditiously meet ongoing operational needs. LASD further notes that the absence of this budgeted appropriation can unnecessarily result in the Department being delinquent in its payments to its contractors, vendors, and service providers. Finally, LASD indicates that its improved budget performance in FY 2020-21 and its ability to close FY 2020-21 with a positive surplus supports the return of these funds to the operating budget.

As reported to the Board on June 8, 2021, CEO agrees that LASD continues to make progress towards a balanced budget through one-time and ongoing solutions. However, at this time, it is recommended that LASD further develop its plan to ensure it closes each succeeding fiscal year with a balanced budget, including closely monitoring and adjusting spending as needed. The FY 2020-21 mitigation plan relied on both one-time and ongoing solutions to fund ongoing costs; therefore, it is incumbent upon LASD to implement additional ongoing mitigation efforts, to ensure a balanced budget in this year and future fiscal years.

CEO has not received a fully developed and sustainable mitigation plan required by the October 2019 motion. The mitigation plan should ensure funding priority is given to statutorily mandated or "core mission" services and include at a minimum budget-balancing reduction proposals that are in alignment with the County's strategic plan/goals; elimination of duplicative or underperforming programs/services; streamlining and consolidation of programs, divisions, units, and services; development of efficiencies; reduction in layers of management and administration; and ensuring full cost recovery for services provided.

Therefore, it is prudent to continue the controls implemented through FY 2021-22 until LASD stabilizes its budget and continues to work cooperatively to implement a sound sustainable budget deficit mitigation plan. As in the past, CEO will continue to work with LASD to monitor spending and overall budget performance and return to the Board with recommendations to transfer funding from PFU.

Academy Classes and Hiring Freeze

On June 8, 2021, CEO reported that LASD's request to hire Deputy Trainees will be re-assessed in FY 2021-22 upon receipt of a full-year academy training plan. Based on a review of available budgeted Deputy Sheriff positions, the Department was given approval to hire three classes at this time. LASD is budgeted for four academy classes with 87.0 recruits per class. Class 457 began July 15, 2021, with a graduation date of December 2, 2021; class 458 began September 15, 2021, with a graduation date of February 19, 2022; and class 459 is targeted to begin January 2022 with a graduation

date of June 2022. Any additional request for academy classes will be evaluated on a flow-basis contingent on available budgeted Deputy Sheriff vacancies. LASD is funded to operate four academy classes per year. Academy classes greater than four in a fiscal year would require an identified funding source or additional funding.

LASD reports that the lack of additional academy classes and the continued loss of LASD sworn personnel to attrition and long-term leave will impact its ability to control overtime costs and may negatively impact critical operations and employee safety due to a heightened number of operational vacancies and staff not as familiar with program operations. Table 5 below reflects the Department's current vacancy totals.

TABLE 5 Summary of Net Vacancies	
Classification	October 26, 2021
Sworn	
Commander	2.0
Captain	1.0
Lieutenant	49.0
Sergeant	229.0
Deputy	361.0
Subtotal Sworn	642.0
Non-Sworn	
Security Assistant	32.0
Security Officer	26.0
All Other	434.0
Subtotal Non-Sworn	492.0
TOTAL	1,134.0

The hiring freeze does not mean that a Department cannot hire. Rather, hiring requests are evaluated and approved on a case-by-case basis based on available funding, operational need, and other factors. The CEO implemented a hiring freeze exception process, which LASD utilized to process hiring requests. Should LASD need to hire and/or promote an individual, we will continue to follow the exception request process outlined in the "Hiring Freeze Guidelines" issued on April 2, 2020.

Emerging Fiscal Issues and/or Other Areas of Focus

The following provides updates to previously identified critical issues/challenges that LASD has identified for FY 2021-22:

- **Community College District (CCD):** Since the last semi-annual report, CCD extended LASD's contract until June 30, 2022. On January 25, 2020, as part of CCD's Request for Quotation, CCD awarded Hillard Heintze a contract for a campus and safety assessment. Based on the most recent update from LASD, CCD believes the Safety Assessment and subsequent Request for Proposal (RFP) for contract services issued by CCD may be completed by February 2022. LASD plans to respond to the RFP unless the recommended model calls for unarmed deployment. CCD may request another contract extension to complete the RFP process.

- **State Inmate Population:** As of November 1, 2021, the jail population was 13,387 pre-sentenced and sentenced individuals, including 1,694 individuals awaiting transfer to CDCR. As explained above, the JCIT recently facilitated a meeting with LASD and State representatives and obtained a commitment by the State to target the transfer of as many as 400 people a week out of County custody to the State and to establish a local program of State parole to effectuate the release of prisoners directly from County jails to community programs. However, the State reimbursement rate does not fully cover the actual costs of the care of the justice-involved individuals awaiting transfer to CDCR; therefore, LASD/County is left to absorb the gap in funding.
- **Custody Operations:** According to LASD, despite the initial reduction in the jail population in June 2020, additional staff is needed in Custody operations to address: the emerging increase/rise in the jail population; enhance Access to Care (medical and mental health services); ensure compliance with the Prison Rape Elimination Act; meet consent decree requirements of the Department of Justice Medical/Mental Health (Intake), Rosas, and Johnson/Americans with Disabilities Act; and manage the impact of COVID-19 on operations.
- **Trial Court Funding:** LASD, along with most other county sheriffs throughout the State, has historically been underfunded by the State for Trial Court Security services provided to the Superior Court. LASD has tried to work with the Superior Court to evaluate other options for ensuring that LASD meets its obligation to provide trial court security services, but doing so in a way that reduces the shortfall in unsupported costs to LASD. The current estimated funding gap is \$42.0 million based on the staffing plan per the Memorandum of Understanding and grows to \$102.0 million with the inclusion of Court Security Division direct services (supervisors, support staff, services and supplies, and vehicles) that are not included in the Memorandum of Understanding and categorized as unallowable costs by the State.
- **Peace Officer Standards and Training (POST) Mandated Training:** LASD is required to adhere to several POST-mandated training requirements. Among these POST-mandated training requirements, the following are underway: 1) all of its sworn personnel (100 percent compliance required) with 24-hour State-mandated continued professional training; 2) Sergeant supervisory school training (80-hour course) for Sergeants promoted in 2021; and 3) middle management school training (120-hour course) for Lieutenants.
- **Concerted Effort to Reduce Crime, Homelessness, and Illegal Cannabis:** LASD reports an increase in crime and illegal cannabis. While there have been some recent efforts by the County to address the threats posed by illegal cannabis and those involved in this industry, more must be done by the County to address all three of these emerging issues.

- **Expansion of Homeless Outreach Service Teams (HOST):** According to LASD, the growing population of individuals unhoused has resulted in LASD being called upon by both County and other local government officials and entities to assist with outreach efforts via LASD's HOST Teams. The County's investment in the expansion of LASD'S HOST Teams will provide the Department with the resources needed to respond to the communities' needs more readily in providing linkages to services.
- **Technology/Infrastructure/Equipment Investment:** LASD reports that there are a number of technology, infrastructure, and capital equipment needs that have long been deferred and are in need of immediate replacement or action, some of which include legacy systems that serve multiple agencies. LASD reports that some of these include, but are not limited to, replacement of the Department's: 1) computer-aided dispatch system; 2) justice data interface controller server replacement; 3) helicopter fleet; and 4) bus fleet.

SHERIFF BUDGET STATUS REPORT
Fiscal Year 2020-21

EXHIBIT A

Ln #		(a)	(b)	(a) - (b) Adj. Budget vs LASD
		Adjusted Budget	LASD Final Closing	Surplus/(Deficit)
1	Appropriation			
2	1000 Salaries & Employee Benefits	2,982,645,000	2,972,382,000	10,263,000
3	Overtime	129,621,000	180,380,000	(50,759,000)
4	Net S&EB	3,112,266,000	3,152,762,000	(40,496,000)
5	2000 Services & Supplies	373,197,000	376,984,000	(3,787,000)
6	5500 Other Charges	75,642,000	71,495,000	4,147,000
7	6030 Cap Assets - Equipment	16,098,000	11,322,000	4,776,000
8	Total Financing Uses	3,577,203,000	3,612,563,000	(35,360,000)
9	Less: 6800 Intrafund Transfer	(110,438,000)	(100,496,000)	(9,942,000)
10	Net Financial Uses	3,466,765,000	3,512,067,000	(45,302,000)
11	Revenues			
12	82B Business Licenses	53,000	13,000	(40,000)
13	84A Vehicle Code Fines	12,117,000	9,268,000	(2,849,000)
14	84C Forfeitures & Penalties	924,000	290,000	(634,000)
15	86C Rents & Concessions	388,000	107,000	(281,000)
16	88D State - Off Highway Motor Vehicle License Fees	451,000	121,000	(330,000)
17	89B State-Other	2,591,000	1,956,000	(635,000)
18	89E State-Prop 172 Public Safety Funds	574,477,000	708,715,000	134,238,000
19	89G State-Citizens' Options for Pub. Safety	7,146,000	7,213,000	67,000
20	89H State-2011 Realignment	5,710,000	3,483,000	(2,227,000)
21	89H State-2011 Realignment (AB109)	234,440,000	234,440,000	0
22	89U State - County Prison Intake	0	22,607,000	22,607,000
23	90K Intergovernmental - Federal	21,827,000	21,458,000	(369,000)
24	90W Federal - COVID-19 (CARES)		10,419,000	10,419,000
25	91B Other-Governmental	2,849,000	2,750,000	(99,000)
26	92F Legal Services	2,774,000	0	(2,774,000)
27	92L Civil Process Serv	5,309,000	2,530,000	(2,779,000)
28	92M Court Fees & Costs	26,000	23,000	(3,000)
29	92Q Law Enforcement Services	513,266,000	497,834,000	(15,432,000)
30	92R Recording Fees	1,519,000	1,243,000	(276,000)
31	92W Trial Court Security	153,220,000	176,962,000	23,742,000
32	93A Institutional Care	845,000	41,147,000	40,302,000
33	93E Charges for Services	4,568,000	2,691,000	(1,877,000)
34	93N Booking Fees	810,000	0	(810,000)
35	94B Other Sales	209,000	205,000	(4,000)
36	94C Miscellaneous	1,081,000	1,243,000	162,000
37	96A Sales of Capital Assets	180,000	306,000	126,000
38	96B Transfers In	39,758,000	31,937,000	(7,821,000)
39	Total Revenues	1,586,538,000	1,778,961,000	192,423,000
40	Current Year Net County Cost	1,880,227,000	1,733,106,000	147,121,000
41	Prior Year Surplus/Deficit			34,993,000
42	TOTAL ESTIMATED YEAR-END NET COUNTY COST			182,114,000
43	Prop 172 Surplus/(Deficit)			
44	FY2020-21			(134,238,000)
45	FY2019-20			(10,006,000)
46	SUBTOTAL Prop 172			(144,244,000) ⁽¹⁾
47	TOTAL ESTIMATED YEAR-END NET COUNTY COST ADJUSTED FOR PROP 172			37,870,000
48	Adjustments:			
49	COVID-19: Difference of State vs A-C rate for Housing Individuals Pending Transfer to State Prison			46,944,000 ⁽²⁾
50	Public Protests			8,100,000 ⁽³⁾
51	Fires (Lake and Bobcat)			2,386,000
52	Escheated Funds Held in the General Fund			6,100,000
53	Judgements & Damages			(1,262,000) ⁽⁴⁾
54	Less Loss of 20/21 Fire DBW Grant Funds			(1,060,000)
55	Carryover & One-time Funding for FY2021-22 Budget			
56	Body Worn Camera Project		(7,142,000)	
57	Cannabis Consumer Health and Safety Taskforce		(2,475,000)	
58	Less Lethal Weapons Replacement		(1,556,000)	
59	Veteran Mental Health Evaluation Teams (VMET)		(660,000)	
60	Various Other Operational Needs for Critical Projects		(1,552,000)	
				(13,385,000)
56	SUBTOTAL Unforeseen Expenditures			47,823,000
57	TOTAL ADJUSTED NET COUNTY COST w/ Unforeseen Exp., Credit, Carryover			85,693,000
58	Loan Repayment for FY 2018-19 Net Adjusted Deficit			(63,408,000) ⁽⁵⁾
59	TOTAL ADJUSTED NET COUNTY COST w/ Loan Repayment			22,285,000

Notes:

- (1) Reflects adjustment for Prop 172 surplus. As a long-standing County budget practice and since the County meets the maintenance of efforts requirements under state law, any budget variance related to Proposition 172 revenues are adjusted in a financial performance analysis of year-end closing amounts.
- (2) Reflects the estimated funding gap based on the difference between the Auditor Controller rate of \$162.82 per day and the State rate of \$93.54 per day. The State reimbursement rate does not fully cover the actual costs of the care; therefore, LASD is left to absorb the shortfall.
- (3) Reflects total non-revenue/IFT overtime associated with providing security/patrol for public protest activity.
- (4) Reflects excess funding provided for judgments and damages (\$40.5 million Final Closing Actuals LESS \$21.8 million Budget LESS \$20M PFU Transfer EQUALS \$1.3 million).
- (5) Reflects full repayment of the \$63.4 million loan provided to address the Department’s FY 2018-19 deficit.

Sheriff's Department
2020-21 Overtime Usage Report

EXHIBIT B

FISCAL YEAR 2020-21															EA %
Budget Unit	Actuals July	Actuals August	Actuals September	Actuals October	Actuals November	Actuals December	Actuals January	Actuals February	Actuals March	Actuals April	Actuals May	Actuals June	Actuals 13th	FINAL/ CLOSING	
Patrol	2,165,241	4,210,319	4,829,413	8,553,502	6,537,846	4,401,879	4,674,323	5,101,277	4,599,061	5,959,532	7,718,277	8,318,727	4,399,695	71,469,091	40%
Detective	351,921	889,750	932,814	1,073,543	745,361	467,337	574,615	823,941	695,812	1,217,196	1,168,436	1,181,432	544,050	10,666,209	6%
Administration	67,180	146,889	87,781	161,298	150,832	126,365	96,941	117,882	110,435	251,237	227,741	135,570	37,400	1,717,551	1%
Custody	3,000,033	6,276,697	5,818,503	5,444,932	6,345,115	5,043,022	5,764,497	4,364,129	3,665,987	5,196,611	5,067,264	5,391,736	3,393,744	64,772,270	36%
Court	427,212	913,382	825,497	759,271	919,539	829,598	1,056,128	1,382,937	1,481,975	1,455,684	1,436,044	1,494,217	868,505	13,849,990	8%
General Support	179,928	435,038	537,327	428,127	432,265	304,943	428,592	361,321	337,056	417,737	535,750	457,327	173,864	4,941,274	3%
County Services	384,632	926,418	1,168,483	1,030,501	1,344,163	997,950	1,022,841	1,063,313	866,551	1,041,865	1,150,209	1,137,005	829,720	12,963,651	7%
TOTAL	6,576,147	13,798,493	14,199,819	17,451,174	16,475,121	12,171,095	13,529,937	13,214,798	11,756,876	15,539,863	17,303,722	18,116,015	10,246,978	180,380,035	100%
		110%	3%	23%	-6%	-26%	11%	-2%	-11%	32%	11%	5%	-43%		

FY 20/21 Adjusted Budget	129,621,000
FY 20/21 Actuals	180,380,035
Under/(Over) Budget	(50,759,035)

FISCAL YEAR 2019-20															Act %
Budget Unit	Actuals July	Actuals August	Actuals September	Actuals October	Actuals November	Actuals December	Actuals January	Actuals February	Actuals March	Actuals April	Actuals May	Actuals June	Actuals 13th	FINAL/ CLOSING	
Patrol	5,045,563	9,163,545	11,115,911	7,876,872	8,999,954	7,800,191	6,988,609	8,328,932	7,090,796	7,334,182	5,264,919	16,217,368	2,775,405	104,002,248	37%
Detective	480,775	1,055,133	1,300,370	842,162	1,307,388	942,032	487,099	1,420,181	980,815	977,758	689,760	1,262,609	460,972	12,207,055	4%
Administration	183,840	371,287	396,916	359,144	392,876	402,032	297,909	445,257	377,840	374,361	232,536	433,440	78,234	4,345,672	2%
Custody	3,856,384	8,305,020	8,769,760	8,361,118	8,577,854	9,509,680	9,384,439	9,957,032	9,322,041	9,107,837	8,447,836	9,154,146	3,536,844	106,289,991	38%
Court	1,542,161	3,816,793	3,089,125	3,735,775	2,585,522	2,729,605	2,945,928	2,289,760	2,513,638	1,394,331	633,495	854,558	91,429	28,222,121	10%
General Support	302,194	527,795	787,320	485,178	671,859	535,009	401,555	594,845	565,987	520,333	387,890	858,161	215,182	6,853,308	2%
County Services	984,536	2,063,797	1,526,330	1,378,904	1,228,721	1,232,288	1,597,307	1,316,508	1,504,244	1,514,025	1,284,084	2,036,934	649,405	18,317,082	7%
TOTAL	12,395,455	25,303,370	26,985,733	23,039,153	23,764,173	23,150,838	22,102,846	24,352,514	22,355,360	21,222,827	16,940,520	30,817,216	7,807,471	280,237,475	100%
		104%	7%	-15%	3%	-3%	-5%	10%	-8%	-5%	-20%	82%	-75%		

FY 19/20 Adj Budget	145,569,000
FY 19/20 Actuals	280,237,475
Under/(Over) Budget	(134,668,475)

FY 19/20	12,395,455	25,303,370	26,985,733	23,039,153	23,764,173	23,150,838	22,102,846	24,352,514	22,355,360	21,222,827	16,940,520	30,817,216	7,807,471	280,237,475
FY 20/21	6,576,147	13,798,493	14,199,819	17,451,174	16,475,121	12,171,095	13,529,937	13,214,798	11,756,876	15,539,863	17,303,722	18,116,015	10,246,978	180,380,035
Under/(Over) From Prior FY	5,819,308	11,504,878	12,785,914	5,587,979	7,289,052	10,979,743	8,572,909	11,137,717	10,598,484	5,682,964	(363,202)	12,701,202	(2,439,507)	99,857,440



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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KAREN LOQUET
CONNIE YEE

December 22, 2021

TO: Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Arlene Barrera *Arlene Barrera*
Auditor-Controller

SUBJECT: **SHERIFF'S DEPARTMENT – OPERATIONAL, AUDIT REPORT FOLLOW-UPS,
AND COST REVIEW STATUS REPORT (Board Agenda Item 10, October 1, 2019)**

On October 1, 2019, your Board instructed the Auditor-Controller (A-C), in collaboration with the Chief Executive Office (CEO) and the Office of Inspector General (OIG), to conduct an operational review of the Sheriff's Department (Sheriff or Department) to determine whether there are areas that can be more efficient and/or operate more effectively. The Board also directed that the review includes assessments of prior reports/audits, the costs associated with the Sheriff's operations, and a zero-based budget analysis. To address these issues, we split the review into the following two primary areas: (1) Operational and Audit Report Follow-ups Review and (2) Workload, Staffing, and Cost Analysis Review.

We issued status reports on August 27, 2020, January 12, 2021, and August 6, 2021. The current status of these two reviews are discussed below:

Operational and Audit Report Follow-ups Review

We contracted with BCA Watson Rice LLP (BCA) to perform the review in March 2020. As part of the contract, BCA is to issue the following four separate reports:

Report

- Potential Revenue Shortfalls/Losses
- Operational Review
- Audit Report Follow-ups
- Summary of Audit Results

Current Status

BCA continued to experience some time delays in the clearance process with their Potential Revenue Shortfalls/Losses report with the A-C, CEO, and Sheriff. Sheriff management also required additional time to finalize their signed written response letter to the audit findings and recommendations. However, these delays have been resolved, and the A-C is currently working to issue the final report to the Board.

BCA is also making progress toward completion of their review for the remaining three reports. However, delays by the Sheriff in providing the necessary audit data/information and in providing responses to BCA's follow-up questions have impacted their ability to complete their review and assessments. Sheriff management indicated that delays are in part due to staffing shortages, other competing priorities, and the time and resources required to provide the requested documentation/information. We are closely working with BCA to monitor the status and progress of their review and will assist where possible/practical to expedite the exchange of data/information, report clearance process, and receipt of the Department's written response letter.

Based on these and other anticipated/unanticipated delays, BCA's current estimated timelines for their four separate reports are:

<u>Report</u>	<u>Estimated Issuance Date</u>
• Potential Revenue Shortfalls/Losses	December 30, 2021
• Operational Review	April 15, 2022
• Audit Report Follow-ups	May 16, 2022
• Summary of Audit Results	May 31, 2022

The revised timeframes assume that the Sheriff provides all requested documents/responses to BCA's follow-up questions and written responses to each respective report timely.

We will also continue to monitor BCA's progress and will work to facilitate the release of each report as promptly as feasible.

Cost, Workload, and Staffing Analysis Review

In consultation with your Board, CEO, and OIG, we contracted with JFA Institute (JFA) to perform the review in January 2021. As part of the contract, JFA will issue one report with the following three separate sections: (1) Cost Review, (2) Workload and Staffing Analysis Review, and (3) a final section that will synthesize the findings of the two prior sections and list a core number of recommendations.

Our August 2021 status indicated that JFA experienced delays by the Sheriff in the fulfillment of their data requests, including calls for service data, cost, and expenditure trend information, etc., that were required to complete their assessments. Since the last status, JFA has completed their initial assessments and drafted their report. The initial draft report is currently in review by the CEO. In addition, based on delays with other recent reviews, we anticipate that JFA will need additional time to clear their findings and recommendations in the report with Sheriff's management. As a result, JFA has extended their estimated final report issuance date until March 31, 2022.

Board of Supervisors
December 22, 2021
Page 3

We will provide your Board with updated statuses, as necessary. If you have any questions please call me, or your staff may contact Mike Pirolo at mpirolo@auditor.lacounty.gov.

AB:OV:MP:JU:gu

c: Fesia A. Davenport, Chief Executive Officer
Celia Zavala, Executive Officer, Board of Supervisors
Alex Villanueva, Sheriff
Max Huntsman, Office of Inspector General



COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

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KAREN LOQUET
CONNIE YEE

January 11, 2022

TO: Each Supervisor

FROM: Arlene Barrera, Auditor-Controller *Arlene Barrera*

SUBJECT: **SHERIFF'S DEPARTMENT - POTENTIAL REVENUE SHORTFALLS/LOSSES
REVIEW (Board Agenda Item 10, October 1, 2019)**

Background

The Sheriff's Department (Sheriff or Department) provides general law enforcement services to 141 unincorporated communities. The Department also provides placement, housing, and care to an average of approximately 15,000 people housed in the County's eight custody facilities. In addition, the Sheriff provides contractual law enforcement services to 42 contract cities, the Southern California Regional Rail Authority, the Los Angeles County Metropolitan Transportation Authority (MTA), and the Superior Court (Court). For Fiscal Year (FY) 2020-21, the Sheriff had 17,095 budgeted positions and a budget of approximately \$3.44 billion, with a net cost to the County General Fund of \$1.75 billion.

Audit Scope and Objectives

On October 1, 2019, your Board instructed the Auditor-Controller (A-C), in collaboration with the Chief Executive Office (CEO) and the Office of Inspector General (OIG), to conduct an operational review of the Sheriff's Department to determine whether there are areas that can be more efficient and/or operate more effectively. The Board also directed that the review includes assessments of prior reports/audits, the costs associated with the Sheriff's operations, and a zero-based budget analysis. To address these issues, we split the review into the following two primary areas: (1) Sheriff's Audit Report Follow-ups and Operational Review and (2) Sheriff's Workload, Staffing, and Cost Analysis Review.

We contracted with BCA Watson Rice LLP (BCA) in March 2020 to perform the Audit Report Follow-ups and Operational Review and they will issue four separate reports: (1) Potential Revenue Shortfalls/Losses, (2) Operational Review, (3) Audit Report Follow-ups, and (4) Summary of Audit Results. This report addresses the Potential Revenue Shortfalls/Losses review, which is the first of the four BCA reports. Note that we contracted with the JFA Institute for the Sheriff's Workload, Staffing, and Cost Analysis review, which will be issued under a separate cover.

Review Summary

As part of the audit, BCA analyzed and reviewed the Sheriff's potential revenue shortfalls/losses in the following seven areas: Assembly Bill 109, Contract Cities, Trial Court Funding, Civil Immigration Detainers, Special and Trust Funds, Grants, and Other Potential Revenue Sources. The primary objectives of this review were to determine whether the Department was maximizing its revenues and/or claiming reimbursable expenditures for these areas.

BCA's report included three Priority 2 recommendations and one Priority 3 recommendation. The Priority 2 issues are discussed below.

Contract City Billings (Priority 2) - Potential Opportunities for Additional Cost Reimbursement

BCA identified that billings to contract cities could be increased for five Sheriff's functions (Communications Unit, Psychological Services Bureau, Professional Development Unit, Regional Community Policing Institute, and Facilities Services and Facilities Planning) that are currently not fully billed. While BCA could not estimate the specific amount of increase in revenues, they estimate that changes to the contract city cost model to bill for these functions could increase revenues by over \$10 million annually.

BCA recommended the Sheriff, in consultation with A-C Accounting Division, verify and quantify the costs not being fully billed for these five functions. Once quantified, BCA recommended that the Sheriff seek direction from the Board to determine whether it is appropriate for the Department to work with the contract cities and its association to review the nature of these additional costs and whether it is feasible to pass some or all of these costs onto the contract cities in a manner that does not result in reductions in service or other adverse impacts.

Trial Court Funding (Priority 2) - Maximizing Reimbursement and Minimizing the Need for Overtime

BCA noted that funding for Trial Court Services has been insufficient to meet the required service level obligations from the Court. The funding deficit issue has been exacerbated by the Sheriff's Memorandum of Understanding (MOU) with the Court that did not allow reimbursement for managerial staff above the rank of sergeant or any administrative staff as well as continued increases in staffing and benefit costs. In addition, while the Sheriff worked with the Court to re-categorize certain services as reimbursable in FY 2018-19, BCA noted that there may be opportunities to negotiate new terms to allow the Sheriff to be reimbursed for additional supplemental services.

BCA recommended that the Sheriff more clearly define what constitutes supplemental services in future negotiations with the Court to make the policy consistent across courthouses and ensure full reimbursement for supplemental services.

BCA also noted there may be opportunities for the Sheriff to utilize flexibility in their staffing levels to help mitigate the need for overtime and additional personnel. The Sheriff negotiated a new MOU with the Court, which will eliminate its requirement to achieve 98% staffing over the course of the year. Once approved, the new MOU will provide the Department with more flexibility in staffing courthouses and reduce the need for overtime and additional personnel.

BCA recommended that upon approval of their new MOU, the Sheriff implement practices to maximize staffing flexibility and reduce staffing and/or overtime where practical.

Grants (Priority 2) - Enhance Grant Procedures, Monitoring, Controls, and Documentation

The Sheriff had 237 grants, totaling \$378 million from FY 2014-15 to FY 2018-19. BCA noted the following:

- Fourteen grants with unused funding totaling approximately \$3.8 million.
- Eight grants that were denied, rejected, not accepted by the Sheriff, or canceled by the grantor due in part to improper documentation and approvals totaling approximately \$3.5 million.
- The Sheriff's grant log that tracks all of the grants approved each fiscal year could be enhanced to assist in improving grant monitoring and determining the Department's success rate of its grant application performance.

BCA recommended that the Sheriff improve their (1) grant design plans and procedures to ensure that grant funds are fully utilized within the grant period, (2) adopt strict documentation and approval processes to comply with the grantor's documentation requirements to prevent any instances of denied, rejected, or canceled grants, and (3) enhance their grant log to improve grant monitoring and performance reporting results, and maintain a log/record for the revenue offset programs for each grant to monitor and ensure grant expenditures align with budgeted and available grant revenue amounts and are fully reimbursable.

Details of these and other findings and recommendations are included in BCA's attached report (Attachment I).

Review of Report

BCA discussed their report with Sheriff's management. The Department's response, included in Attachment II, indicates agreement with the three Priority 2 recommendations and partial agreement with the Priority 3 recommendation.

If you have any questions please call me, or your staff may contact Mike Pirolo at mpirolo@auditor.lacounty.gov.

AB:OV:MP:JU:gu

Attachments

c: Fesia A. Davenport, Chief Executive Officer
Celia Zavala, Executive Officer, Board of Supervisors
Alex Villanueva, Sheriff
Max Huntsman, Inspector General

County of Los Angeles
Auditor-Controller

Sheriff's Department
Audit Report Follow-ups and Operational Reviews

**REPORT ON POTENTIAL REVENUE
SHORTFALLS/LOSSES
FINAL REPORT**

October 2021





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www.bcawatsonrice.com

November 16, 2021

Ms. Arlene Barrera
Auditor-Controller
500 West Temple Street, Room 525
Los Angeles, CA 90012

Dear Ms. Barrera,

BCA Watson Rice LLP is pleased to present the attached report on our Review of Potential Revenue Shortfalls/Losses of the Los Angeles County Sheriff's Department (LASD) for the following seven (7) areas: AB109, Contract Cities (Billing Rates), Trial Court Funding, Civil Immigration Detainers, Special and Trust Funds, Grants, and Other Potential Revenue Sources. The recommendations contained in this report could increase contract cities revenues, reduce trial court expenditures, increase utilization of grant funding sources, and improve grant management. LASD management agrees with a majority of the report's recommendations. LASD's written management response is included at the end of this report.

We would like to thank LASD management and staff for their efforts and cooperation throughout the review. Please feel free to contact me directly at 310 792-4640 ext. 110 if you should have any questions.

Respectfully,

A handwritten signature in blue ink that reads 'Michael J. de Castro'. The signature is stylized with a large, looped 'M' and a circular flourish at the end.

Michael J. de Castro
Managing Partner

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1. EXECUTIVE SUMMARY

This executive summary provides a brief description of the more significant results by area. For a more detailed discussion of the results, please refer to the body of the report.

Background, Scope, and Objectives

For Fiscal Year (FY) 2019-20, the Los Angeles County Sheriff's Department (Sheriff, LASD or the Department) had 18,300 budgeted positions with a budget of \$3.4 billion. The net cost to the County's General Fund was \$1.6 billion. In September 2019, the Chief Executive Office (CEO) notified the Board of Supervisors (Board) that the LASD closed FY 2018-19 with a net deficit of \$63.4 million. The CEO attributed this net deficit to over-expenditures in salaries and employee benefits, other charges, and under-realization of revenue.

In October 2019, the Board requested that the Auditor-Controller in collaboration with the CEO and the Office of Inspector General conduct an operational review of the LASD to determine whether there are any areas that can be more efficient and/or operate more effectively. The Board also directed a review of LASD's operations, including a review of prior audits and reports.

In March 2020, the Auditor-Controller contracted with BCA Watson Rice (BCAWR) to conduct various audit report follow-ups and operational reviews of LASD operations. This report provides the results of BCAWR's review and analyses of potential revenue shortfalls/losses of the following seven (7) areas: Assembly Bill 109 (AB109), Contract Cities, Trial Court Funding, Civil Immigration Detainers, Special and Trust Funds, Grants, and Other Potential Revenue Sources.

The objectives of this review were to determine whether LASD was maximizing its revenues and/or claiming reimbursable expenditures for the above mentioned seven areas. To conduct our review and analyses, we reviewed information and data from the last five fiscal years, where appropriate. We began our review in April 2020 and completed our review in June 2021.

Overall, we found that there are opportunities for LASD to improve in maximizing revenues and/or claiming reimbursable expenditures for some of the seven areas reviewed. We summarize the more significant issues and discuss these opportunities below and provide more detail in the body of this report.

SIGNIFICANT RESULTS AND RECOMMENDATIONS

Finding No. 1: Contract billings to cities could be increased, but potential impacts of increased costs to cities should be considered. Based on our review, we determined that increased revenues could exceed \$10 million annually based on changes to the contract cities billing model. We identified a number of potential sources of revenue that, with Board approval, could be billed to the contract cities that would be consistent the California GovernmentCode (Gonsalves). This revenue would come from billing for certain costs that are currently not fully billed within the following LASD functions: (1) Communications Unit, (2) Psychological Services Bureau, (3) Professional Development Unit, (4) Regional Community Policing Institute, and (5) Facilities Services and Facilities Planning.

While it is possible for the County to increase law enforcement revenue in the foregoing categories, it would not be without the risk of adverse impacts. These impacts could include negative impact on crime and arrest rates, a reduction in qualified law enforcement personnel within the County, and strained relationships with law enforcement agencies and cities.

Recommendation No. 1 (Priority 2)

We recommend that LASD in consultation with the Auditor-Controller Accounting Division verify and quantify the costs not being fully billed for the above identified LASD functions to determine the cost impact to the contract cities billing model. Once those costs are quantified, LASD should seek direction from the Board to determine whether it is appropriate for LASD to work with the contract cities and its association to review the nature of these additional costs and whether it is feasible to pass some or all of these costs onto the contract cities in a manner that does not result in reductions in service or other adverse impacts.

Finding No. 2: Prior to FY 2016-17, the LASD did not receive reimbursement from the Court for certain services which the Court determined to be a part of the base services provided by LASD. Beginning in FY 2018-19, the LASD worked with the Court to re-categorize certain services as “supplemental” to ensure that LASD received additional funding for those services. Since that time, revenues for supplemental services have increased significantly.

Recommendation No. 2 (Priority 2)

In future negotiations between LASD and the Court, LASD should attempt to more clearly define what constitutes supplemental services to make the policy consistent across courthouses and ensure full reimbursement for supplemental services. In prior negotiations, LASD negotiated terms to provide LASD more flexibility in staffing courthouses by eliminating its requirement to achieve 98% staffing over the course of the year. LASD should implement practices to maximize this new staffing flexibility to minimize the need for overtime or supplemental staffing.

Finding No. 3: The current costs related to Immigration and Customs Enforcement (ICE) civil immigration detainers consist of two part-time custody assistants. The function of these custody assistants is to provide information to the justice involved population and their counsel, not to ICE. Thus, these costs are not reimbursable by ICE. In 2019, the LASD made a policy decision not to seek State Criminal Alien Assistance Program (SCAAP) funding. This decision was made consistent with its policy not to provide reporting to the Department of Homeland Security (DHS) related to undocumented persons and those suspected of being undocumented.

Recommendation No. 3 (Priority 3)

In light of the change in the federal administration and the success of the recent protest of reporting requirements within the Byrne JAG Grant, we recommend that the LASD apply for future SCAAP grants using the same approach taken for the Byrne JAG Grant. Based on current policy, the County is no longer eligible for SCAAP funding. Were the policy to change to permit the required reporting to the federal government, there is the potential to increase revenue in excess of \$2 million annually.

Finding No. 4: During the last five Fiscal Years 2014-15 to 2018-19, LASD had 237 grants totaling \$378 million from various sources (i.e., federal, State, and local). Our review found that LASD had fourteen (14) grants with unused funds totaling \$3,769,873, which represents less than 1% of total grant funds awarded. The primary reasons for the unused grant funds include not being able to spend the grant funds within the grant period, and not being able to complete the project within the grant period due to staffing shortages. We also found eight (8) grants that were subsequently canceled totaling \$3,527,894. These canceled grants were grant applications that were subsequently denied, rejected, not accepted by LASD, or canceled by the grantors. Lastly, LASD's grant log that tracks all of the grants approved for each fiscal year could be enhanced to assist in improving grants monitoring and determining LASD's success rate of its grant application performance.

Recommendation No. 4 (Priority 2)

We recommend that LASD implement the following actions to improve its grant application, utilization and monitoring process:

- 1. Design plans and procedures to ensure that grant funds are fully utilized within the grant period. The procedures may include a possible grant extension request to the grantor when the grant period is about to expire, especially for those grants with material unused amounts;*
- 2. Adopt a strict documentation and approval process to comply with the grantor's documentation requirements to prevent any instances of denied, rejected, or canceled grants; and*

3. *Make enhancements to its grant log to include all grants applied for, the date grant was applied for, and the award or denial date. If denied, include the reasons for denial. Maintaining this grant data will improve grants monitoring and grant performance reporting results. In addition, we recommend that LASD maintain a log/record for the revenue offset programs for each grant, if applicable, to monitor and ensure that grant expenditures are aligned with budgeted and available grant revenue amounts and are fully reimbursable.*

Finding No. 5: As of June 30, 2019, LASD had a total of 15 special funds and 16 trust funds with a year-end collective balance of approximately \$165.3 million and \$68.6 million, respectively. For FY 2018-19, 11 of the 15 special funds and eight (8) of the 16 trust funds had a year-end balance of over \$200,000. We reviewed in detail those Special and Trust Funds with a fund balance over \$200,000 as of June 30, 2019. Based on our review of the Special Funds for the last five fiscal years (2014-15 to 2018-19), we found that the expenditures were fully absorbed by its revenues and any excess of expenditures over revenues for a particular year were fully covered by the accumulated fund balances of each fund. We noted no subsidies from the General Fund to any of the Special Funds. For the Trust Funds, all funds are held in trust by LASD and can be used only for a specified purpose for which the Trust Funds were established. Thus, there were no LASD related reimbursable expenditure transactions related to these Trust Funds.

2. INTRODUCTION AND BACKGROUND

The Los Angeles County Auditor-Controller contracted with BCA Watson Rice (BCAWR) to conduct an audit report follow-up and operational review of certain LASD operations. For FY 2019-20, the LASD had 18,300 budgeted positions with a budget of \$3.4 billion. The net cost to the County's General Fund was \$1.6 billion. In September 2019, the Chief Executive Office (CEO) notified the Board of Supervisors that the LASD closed FY 2018-19 with a net deficit of \$63.4 million. The CEO attributed this net deficit to over- expenditures in salaries and employee benefits, other charges, and under-realization of revenue.

The LASD enforces laws and County ordinances in the unincorporated areas and is responsible for maintaining law and order in all cities in the County. The LASD also provides direct traffic and law enforcement to 42 contract cities and the Los Angeles County Metropolitan Transportation Authority. In addition, the LASD provides placement, housing, and care to an average of approximately 16,000 individuals incarcerated in the County jail in eight custody facilities and provides bailiff services to the Superior Court.

In October 2019, the Board requested that the Auditor-Controller in collaboration with the CEO and the Office of Inspector General conduct an operational review of the LASD to determine whether there are any areas that can be more efficient and/or operate more effectively. The Board also directed a review of LASD's operations, including a review of prior audits and reports.

In March 2020, the Auditor-Controller contracted with BCAWR to conduct various audit report follow-ups and operational reviews of LASD operations. This report provides the results of BCAWR's review and analyses of potential revenue shortfalls/losses of the following seven (7) areas: AB109, Contract Cities, Trial Court Funding, Civil Immigration Detainers, Special and Trust Funds, Grants, and Other Potential Revenue Sources. The primary objectives of this review were to determine whether LASD was maximizing its revenues and/or claiming reimbursable expenditures for the above mentioned seven areas.

3. OBJECTIVES, SCOPE, AND METHODOLOGY

The primary objectives of this review were to determine whether LASD was maximizing its revenue and maximizing its reimbursement of General Fund eligible costs from the following seven review areas: 1) AB109, 2) Contract Cities (Billing Rates), 3) Trial Court Funding, 4) Civil Immigration Detainers, 5) Special and Trust Funds, 6) Grants, and 7) Other Potential Revenue Sources.

The scope of our review and analysis covered the last five fiscal years, when applicable. We conducted our review and analysis remotely due to the health and safety protocols of the pandemic. Information was requested and received electronically and interviews were conducted via conference call or video conferencing.

Below we provide a brief description and the list of the tasks performed for each of the seven areas reviewed:

1. AB 109

In 2011, the California Legislature passed AB 109, which transferred the responsibility for the supervision of certain low-level State offenders from the California Department of Corrections to counties. Under this Realignment, counties receive an allocation of revenue received through vehicle license fees and a portion of State sales tax. The exact amount of the allocation changes annually depending on the revenue received from these dedicated funding sources. The County CEO establishes annual Realignment budgets based on consultation with each County department, subject to Board approval. Our review and analysis determined whether LASD is appropriately requesting reimbursement for the actual costs of housing AB 109 individuals incarcerated within the County jails. To accomplish this, we performed the following tasks:

Task No. 1: Analyzed the reasons for under-utilized and under-budgeted California Public Safety Realignment Act of 2011 (AB 109) expenditures.

Task No. 2: Evaluated the LASD's process for budgeting AB 109 fund expenditures.

Task No. 3: Determined whether LASD annually reviews and updates AB 109 reimbursement rates.

Task No. 4: Identified legal mandates or laws that impact proposed updates to the realignment.

Task No. 5: Determined whether the LASD prepares and reviews a multi-year AB 109 revenue and expenditure projection.

Task No. 6: Evaluated LASD's tracking and monitoring processes and practices related to AB 109. Evaluated the processes for addressing budget variances.

2. Contract Cities (Billing Rates)

The County adopted a cost model to establish annual law enforcement billing rates for services provided to contract cities. The model focuses on the direct and support costs of operating Sheriff's stations and providing services to contract cities. These costs are reduced for support costs which cannot be legally billed to contract cities based on Government Code 51350 (Gonsalves), and for certain costs excluded under current Board policy. In FY 2018-19, the LASD collected approximately \$321.8 million in revenue for law enforcement services provided to contract cities. In October 2019, the Board expressed interest in determining whether the LASD is collecting an appropriate amount of revenue for law enforcement services provided to contract cities. To accomplish this, we performed the following tasks:

Task No. 1: Reviewed the "Cost Model" to determine the costs excluded from the law enforcement billing rates to contract cities and estimated the dollar value of the excluded costs; and, determined whether the LASD is recovering the actual costs of providing the services. If not, (1) identified whether the excluded costs were not included due to Gonsalves or Board policy and, (2) analyzed any portions of the costs excluded based on Board policy that could potentially be billed to contract cities.

Task No. 2: Identified the cost-benefit potential and unintended outcomes that may result from increased billings to contract cities.

Task No. 3: Identified and evaluated other possible additional sources of revenue for law enforcement services provided to contract cities and independent cities and the potential and unintended outcomes that may result from charging for these services.

3. Trial Court Funding

LASD's Court Services Division oversees security at all County courthouses. Deputies serve as bailiffs and maintain order in the courtrooms. In addition, security officers under the supervision of a Sheriff peace officer, staff the metal detectors at trial courthouse entrances and provide general security for the courthouse complexes. Trial courthouses are under the jurisdiction of the State of California and are maintained by the State. The State compensates the LASD for trial court security services, but the LASD has indicated that the State caps compensation that results in significantly less revenue than the actual costs for the services provided. In FY 2018-19, LASD records indicate a revenue shortfall of approximately \$77 million. The Board expressed interest in evaluating how this deficit can be reduced. To accomplish this, we performed the following tasks:

Task No. 1: Identified the trial court security services that State reimbursements is intended to cover and whether the amount reimbursed is appropriate.

Task No. 2: Identified specific law(s) that may prevent LASD from claiming reimbursement for actual full or direct costs for the services provided.

Task No. 3: Reviewed and identified potential opportunities to collect additional revenue or reduce costs to offset the actual cost of providing trial court security services under current State law.

Task No. 4: Evaluated whether the County should pursue changes in State laws that would allow LASD to better recover the actual direct and/or full costs of providing trial court security services.

Task No. 5: Discussed with County Counsel any legal mandates, laws, or other requirements that may limit LASD's ability to recover additional costs of trial court security services provided.

4. Civil Immigration Detainers

The U.S. Immigration and Customs Enforcement (ICE) issues written civil immigration detainers to provide notice of their intent to assume custody of a potentially deportable individual held in the custody of a California law enforcement agency. For FY 2018-19, the LASD received over 3,900 ICE civil detainer requests. In May 2019, the Civilian Oversight Commission issued a report on the LASD's cooperation with ICE civil immigration detainers. The report included recommendations for improvement of LASD's immigration policies. The Board requested a follow-up of the report's recommendations. To accomplish this, we performed the following tasks:

Task No. 1: Reviewed and analyzed LASD administrative and personnel resources and costs required to track and respond to ICE civil immigration detainers; and, identified the portion of staff and associated costs that are directly and indirectly attributable to ICE civil immigration detainers.

Task No. 2: Analyzed the propriety of seeking reimbursement from the Federal government for the costs attributable to ICE's civil immigration detainers and identified additional actions that should be taken to seek Federal reimbursement for LASD's costs to address ICE's civil immigration detainers.

Task No. 3: Identified opportunities to improve and enhance LASD's tracking of civil immigration detainer staffing and resources.

5. Special and Trust Funds

As of June 30, 2019, LASD had a total of 15 Special Funds and 16 Trust Funds with a year-end balance of approximately \$165.3 million and \$68.6 million, respectively. In addition, 11 of the 15 Special Funds and 8 of the 16 Trust Funds had a year-end balance of over \$200,000. The Board expressed interest in how well the LASD was managing these Special and Trust Funds and whether LASD was fully receiving reimbursement of all allowable General Fund expenditures. To accomplish this, we performed the following tasks:

Task No. 1: Conducted a historical analysis of LASD's annual revenues and expenditures for the five fiscal years (2014-15 to 2018-19) for each of the 11 Special Funds and eight Trust Funds with a fund balance over \$200,000 as of June 30, 2019.

Task No. 2: Reviewed the Special and Trust Fund accounts for each of the 11 Special Funds and eight Trust Funds with a FY 2018-19 year-end balance over \$200,000 and determined whether the Department is fully reimbursing all allowable General Fund expenditures.

Task No. 3: Identified any opportunities to improve the classification and utilization of the Department's Special and Trust Funds.

6. Grants

LASD receives various State and Federal grants that are intended to be used for specific purposes. These State and Federal grants help subsidize LASD's operations. During the last five fiscal years 2014-15 to 2018-19, LASD had 237 total grants totaling \$378 million from various State, Federal and local sources. The Board expressed interest in how well LASD was managing its grant operations and whether LASD was maximizing its grant revenues. To accomplish this, we performed the following tasks:

Task No.1: Performed a historical analysis of LASD's grants, including the grants applied for, award amounts, expenditures (listing of grants) etc. for the last five (5) fiscal years from 2014-15 to 2018-19.

Task No. 2: Evaluated whether LASD appropriately analyzes available grants and takes the necessary steps to apply for eligible and relevant grants timely.

Task No. 3: Reviewed grants with material unused balances at the end of each fiscal year, identified instances where the Department does not appear to have fully claimed reimbursement for eligible expenditures.

Task No. 4: Evaluated whether LASD appropriately tracks and monitors available grant fund balances to ensure that usage is maximized to the extent possible. Identified instances where the grant was claimed, but services were not fully provided.

7. Other Potential Revenue Sources

In addition to the above revenue sources, the LASD has other current revenue streams to fund operations. The Board is interested in how well the LASD is maximizing other revenue streams. To accomplish this, we performed the following task:

Task No. 1: Reviewed and analyzed the LASD's other current revenue streams and identified potential funding that may increase the Department's annual revenues.

4. DETAILED RESULTS

Below we provide the details on the results of each of the seven review areas:

1. AB 109

Introduction/Summary of Conclusions

In 2011, California passed public safety legislation entitled the AB 109. The purpose of AB 109 is to move responsibility for addressing certain populations of non-violent, non-serious, and non-sex offenders (AB 109 population) from State custody to the counties. Services funded through AB 109 include employing and training public safety officials, managing local jails, and providing housing, treatment, and services for, and supervision of juvenile and adult offenders. Proposition 30 (2012) provides a dedicated and permanent revenue stream to counties to fund their AB 109 responsibilities through 1.0625% of the State sales tax and a portion of the vehicle license fees (VLF). AB 109 money is then allocated to over 10 different County departments based on Countywide program initiatives as part of Board priorities or legislative changes, consultation with County departments impacted by Realignment, and available funding, subject to Board approval. The Probation Department and LASD receive the largest funding allocations in order to fund the County's AB 109 legal obligations.

The LASD is responsible for a variety of AB 109 programs including custody operations, in-custody programs, absconder services, mental and physical health services, substance abuse programs and countywide outreach functions. The LASD's largest responsibility, however, is for the housing of justice involved population (i.e., custody operations) which represents almost 82% of the LASD's AB 109 budget.¹

Prior to FY 2018-19, variances in the LASD's AB 109 budget-to-actuals had been moderate and relatively stable. However, in FY 2018-19, the LASD experienced an approximately 10% underspending of its budget. This variance was principally due to a drop in the number of the AB 109 population during the course of the year, negatively and disproportionately impacting the LASD's ability to seek reimbursement for its custody expenses.

In response to this variance and the difficulties in accurately estimating the number of the AB 109 population on an annual basis, the CEO's Budget Division and the LASD worked to refine the claiming process to ensure that revenue is maximized. Our review and the FY 2019-20 budget-to-actual numbers indicates that the updated claiming process has resolved the issues associated within the LASD's FY 2018-19 underspending of its AB 109 budget. Moreover, our evaluation of the LASD's AB 109 budgetary and reimbursement processes indicates no inadequacies which would result in a failure to obtain reimbursement for its AB 109 expenditures consistent with the budget. As a result, we have no recommendations

¹ Based on FY 2018-19 reimbursement requests.

related to AB 109 funding and reimbursement.

AB 109 Background

In April 2011, the California Legislature and Governor Brown passed sweeping public safety legislation (AB 109) that effectively shifted responsibility for certain populations of offenders from the state to the counties. AB 109 established that local Community Corrections Partnerships (CCPs) develop an implementation plan to be submitted to county boards of supervisors. Over the proceeding months, the Los Angeles CCP and associated working groups met continuously to develop a plan that addresses the major issues involved with implementation of AB 109 and public safety realignment.

The CCP Plan is designed to serve as a framework for the implementation of AB 109 public safety realignment. This plan was approved by the CCP Executive Committee and accepted by the Board of Supervisors. Upon acceptance of the CCP Plan, the Board established the Public Safety Realignment Team (PSRT) to continue the coordination effort beginning October 1, 2011 and report to and advise the Board on realignment implementation matters. To ensure consistency, the Board established the PSRT membership and structure would mirror that to the statute-identified CCP, including Probation serving as the chair. The PSRT is supported by the Countywide Criminal Justice Coordination Committee (CCJCC).

In addition to supporting ongoing coordination in areas such as revocation policies and procedures and assessments/linkages to treatment, PSRT provides semi-annual reports to the Board on operational matters. PSRT also coordinates an annual “CCP” report to the California Board of State and Community Corrections that captures successes, challenges, and goals. This report is also submitted to the Board of Supervisors each year. Finally, PSRT has launched a study series with the CIO’s office to understand trends and outcomes with realignment implementation in the county in order to inform operations and fiscal considerations. The first study was released in October 2020.

AB 109 changed the way certain felonies are sentenced. Specifically, non-serious, non-violent, non-sex charges are no longer eligible for state prison sentences, unless they have prior serious or violent felony convictions or are required to register as a sex offender. As referenced above, the LASD is responsible for a range of AB 109 programs, but the major focus of its funding as mandated by law relates to the housing of individuals incarcerated in the County jails which represents over 80% of the LASD’s AB 109 budget.

Following the passage of AB 109, the number of individuals incarcerated in the County's jail system rose significantly and, as a result, the LASD experienced substantial operational pressures related to the housing of this population.² To support the influx of new incarcerated individuals, the LASD began re-opening previously closed jail beds. By September of 2013, the AB 109 incarcerated population was 6,206 and the overall jail population rose from 15,586 (just prior to AB 109 implementation) to 19,225 during the same period.³

By 2014, the average daily AB 109 population was averaging just over 6,000 incarcerated individuals. In 2014, the voters of California approved Proposition 47 which reduced penalties for some crimes and reclassified some felonies as misdemeanors. In addition, since 2014 the County had seen an overall decrease in the AB 109 population. By the second quarter of 2019, the average daily AB 109 population dropped below 4,000, approximately a one-third decrease from its high point in 2014. These swings in this population were both difficult to predict, but also caused challenges in budgeting for their housing.

AB 109 Budget and Reimbursement Processes

Budget Process

The process in LA County for budgeting AB 109 programs is led by CEO Budget and is done annually. Each AB 109 department is assigned an initial target baseline budget in the Recommended Budget phase by reversing prior-year one-time funding and incorporating Board-approved program cost-of-living adjustments and employee benefit adjustments. In the Supplemental Changes budget phase, departments can submit additional funding requests which are considered by the CEO based on competing priorities and available funding. New funding allocations are considered in Supplemental Changes as at that time the CEO has the most updated AB 109 funding projections from the State.

The primary component of the LASD's AB 109 budget relates to the in-custody housing of incarcerated individuals. Historically, LASD would develop an estimate of the number of incarcerated individuals for the next fiscal year, largely relying on prior year actuals. The LASD was then reimbursed based on the actual number of stays. Because the reimbursement for custody operations was based on the actual number of stays, the downward trend in the AB 109 incarcerated population ultimately resulted in the LASD being unable to recoup its actual expenses to maintain its custody operations. In FY 2018-19, the LASD's AB 109 budget

² In addition to the increase in the overall population incarcerated in the County jails, the system for housing AB 109 required more intensive programming. The jail system was not originally designed to house the incarcerated population with longer-term needs and the new AB 109 incarcerated population required more complex health care, increased rehabilitation, and re-entry programming, and increased out-of-cell activities to assist with the stressors of increase incarceration times.

³ See, *Public Safety Realignment Year-Three Report*, LA County Public Safety Realignment Team (January 2015).

was 10% more than the amount for which it could seek in reimbursement.

During the course of FY 2018-19, the LASD and CEO Budget became aware of the variance within custody operations and worked together to refine the claiming process to ensure that revenue for housing the AB 109 population is maximized. The updated claiming model established a fixed number of beds designated for the AB 109 population (3,400 average per day) over the course of the year. The bed count was established and Board-approved in October 2011 to house the projected N3 and parole violator population. The LASD would be reimbursed based on the costs of maintaining those 3,400 beds per day, even if their actual number of incarcerated individuals were less. LASD maintains operational and financial responsibility for the costs of all AB 109 beds, whether the individual occupying the bed is incarcerated under AB 109 or backfill from the general population.

The result of the new methodology was a much smaller variance between budget and actuals in FY 2019-20. The LASD's FY 2019-20 budget for AB 109 programs was \$234,211,000 and the reimbursed actuals were \$230,418,542.⁴ During this period, the LASD averaged approximately 3,162 AB 109 beds per day versus the budgeted number of 3,400 beds and a smaller budget variance. Using the prior claiming methodology, this would have resulted in a larger budget variance in custody operations (approximately 7.25%). Instead, LASD was able to seek reimbursement for all the anticipated costs of maintaining the 3,400 beds eliminating any meaningful variance.

Reimbursement Process

The LASD is to make quarterly reimbursement requests to the Auditor-Controller within 17 days following the conclusion of each quarter. Our review of reimbursement requests from FY 2017-18, FY 2018-19 and portions of FY 2019-20 showed no meaningful delays in seeking reimbursements.

Moreover, our interviews with CEO Budget and LASD staff indicated no issues with the LASD's compliance with seeking reimbursement for AB 109 expenses.

Findings and Recommendations

Our review of the LASD's AB 109 budget and reimbursement processes have resulted in no findings or recommendations. While the LASD's AB 109 budget did experience a concerning budget variance in FY 2018-19, CEO Budget and the LASD identified the issue and worked to refine the claiming methodology resulting in no meaningful variance in FY 2019-20. Moreover, our evaluation of the LASD's AB 109 budgetary and reimbursement processes indicates no other inadequacies.

Set forth below are the results to the specific tasks outlined in the work order:

⁴ It should be noted that in FY 2019-20, LASD sought reimbursement for in excess of \$260 million, but only \$233 million was provided to the Department.

Task No. 1: Analyze the reasons for under-utilized and under-budgeted AB 109 expenditures.

The LASD experienced a significant budget-to-actual variance in FY 2018-19. This variance was largely due to unanticipated (as well as difficult to project) fluctuations in the number of the AB 109 population. Given that reimbursements were tied to the actual number of stays, the LASD was unable to seek reimbursements for the anticipated and actual expenses of maintaining the staffing and facilities for the budgeted number of incarcerated individuals. This issue was corrected and in FY 2019-20 there was no meaningful budget-to-actuals variance. In fact, in FY2019-20, LASD's budget for AB 109 was approximately \$234 million, but LASD claimed \$258 million and was reimbursed \$230 million. Thus, approximately \$28 million of the Sheriff's claims in that fiscal year went unreimbursed. Had the additional \$28 million in requested funds been supplied, the net adjusted deficit would have been approximately \$7 million.

Task No. 2: Evaluate the LASD's process for budgeting AB 109 fund expenditures

The process for budgeting AB 109 programs is set by CEO Budget. An initial target baseline budget is established by CEO Budget and reviewed by LASD. Where appropriate, the LASD can submit additional funding requests as part of the Supplemental Changes budget phase which are evaluated based on competing priorities and available funding.

During the course of FY 2018-19, CEO Budget and LASD identified an issue with respect to the claiming for custody operations within AB 109 resulting in a monthly variance in budget-to-actuals. In response to the variance, the LASD and CEO Budget determined that because the LASD was required to maintain a certain number of beds available for the AB 109 population, it should be reimbursed for those actual expenditures. As a result, the claiming process was refined in FY 2019-20 to allow LASD to seek reimbursement for maintaining a set number of beds over the course of the fiscal year. In FY 2019-20, the LASD's AB 109 budget-to-actuals resulted in no meaningful variance.

Task No. 3: Determine whether LASD annually reviews and updates AB 109 reimbursement rates.

Based on our review we determined that the Auditor-Controller, working with LASD, annually provides updated reimbursement rates for AB 109 salaries and costs. Thus, LASD does conduct annual reviews and updates of AB 109 reimbursement rates.

Task No. 4: Identify legal mandates or laws that impact proposed updates to the realignment.

Based on our review and discussions with LASD and County Counsel, there were no pending legal mandates or laws that will impact the current realignment structure and cost reimbursement from the State.

Task No. 5: Determine whether the LASD prepares and reviews a multi-year AB 109 revenue and expenditure projection.

Neither CEO Budget nor LASD prepare multi-year AB 109 budgetary projections. The benefits of such a process would be limited because the State-wide funding allocation to counties for AB 109 is done annually and the AB 109 funding level is not guaranteed as sales tax is subject to fluctuations based on the economy. Moreover, it has become difficult to project incarceration rates under AB 109.

Task No. 6: Evaluate LASD's tracking and monitoring processes and practices related to AB 109. Evaluate the processes for addressing budget variances.

Our review of the current budget and reimbursement process revealed no inadequacies that either caused delays in seeking reimbursement nor any flaws that would result in a failure to seek full reimbursement for AB 109 expenses. LASD staff review monthly budget-to-actuals and are required to submit detailed reimbursement requests to the Auditor-Controller on a quarterly basis. From FY 2017-18 through the third quarter of FY 2019-20, LASD's reimbursement requests were reasonably timely and complete.

The CEO Budget and LASD regularly reviews expenses. These reviews identified the variance in custody operations that occurred during FY 2018-19. As a result, the claiming methodology was revised for FY 2019-20 to address the FY 2018-19 variance issue. This revised claiming methodology resulted in no meaningful variance in FY 2019-20. Our review indicated that the revised claiming methodology was adequate in addressing the FY 2018-19 budget variance.

2. CONTRACT CITIES (BILLING RATES)

Introduction/Summary of Conclusions

The LASD provides contract services to 42 cities within Los Angeles County. The FY 2019-20 total budgeted contract amount for these cities was \$359,671,547, representing just over 10% of the department's \$3,517,903,000 budget.⁵

In 1973, the County defined the LASD's functions that are billable and those that are excluded by the California Government Code or by Board policy. Over the years, the LASD has reallocated resources, created new units and reorganized internal functions. These changes, on occasion, have resulted in confusion over whether certain types of costs were billable or excluded from contract city billings resulting in a number of studies, most recently by the Los Angeles County Auditor-Controller in 2005 and 2006.

Based on our review, we identified two findings and two recommendations:

Finding #1: There are potential sources of revenue that could be billed to the contract cities that would be consistent with Board policy and the California Government Code. This revenue would come from billing for certain costs that are currently not fully billed within the following functions (1) the Communications Unit, (2) the Psychological Services Bureau, (3) the Professional Development Unit, (4) Regional Community Policing Institute, and (5) Facilities Services and Facilities Planning.

Recommendation No. 1: *We recommend that LASD in consultation with the Auditor-Controller Accounting Division verify and quantify the costs not being fully billed for the above identified LASD functions to determine the cost impact to the contract cities billing model. Once those costs are determined, LASD should seek direction from the Board to determine whether it is appropriate for LASD to work with the contract cities and its association to review the nature of these additional costs and whether it is feasible to pass some or all of these costs onto the contract cities in a manner that does not result in reductions in service or other adverse impacts.*

Finding #2: The Sheriff did not exceed staffing compliance levels for any of the sample cities for FY 2017-18 and FY 2018-19 based on our sample review of individual cities for FY 2017-18 through FY 2019-20 to evaluate staffing compliance rates. However, in FY 2019-20, the Sheriff exceeded staffing compliance rates for each of the cities reviewed. Staffing compliance levels ranged from 104.19% on the low end to 106.89% on the high end. Based on interviews, staffing compliance levels spiked because of the additional resources and overtime associated with the civil

⁵ LASD is also the primary law enforcement service to unincorporated areas, LA Metro, Metrolink and the Los Angeles Community Colleges District. LASD also provides law enforcement services available to all cities within the County.

disturbances following the death of George Floyd.

County's Contractual Framework with Contract Cities for Law Enforcement Services

For each of the 42 contract cities, the County has entered into a separate agreement entitled the "Municipal Law Enforcement Services Agreement" ("MLESA"). The MLESA sets forth the terms and conditions under which the Sheriff will provide general law enforcement services and specifies the number of years for the agreement.

At the beginning of each new fiscal year, each contract city and the LASD agree to a specified level of service which is set forth in the LASD Service Level Authorization (SH-AD 575) Form ("575 Form"). The 575 Form details, among other things, the number of positions associated with the Deputy Sheriff Service Unit (e.g. Deputy Sheriff, Special Assignment Deputy, etc.) and the Supplemental Positions (e.g. Motor Deputy, Lieutenant, Sergeant, etc.) The form details the number of staff for each position including the number of annual hours scheduled, the annual billing rate per hour, and the estimated total annual cost.⁶

County's Cost Model for Billing Contract Cities

In order to establish the costs under each MLESA, the Auditor-Controller has developed a cost model that assigns a billable rate for each position. That billable rate is designed to recoup all direct (salary and benefits) and *allowable overhead costs* associated with providing law enforcement services to each city. This cost model is detailed in a series of spreadsheets entitled the Law Enforcement Contractual Costs ("LECC"). The direct costs for each position are derived from taking a mid-point of a position's salaries and benefits, as well as additional costs associated with the overhead and support costs. At issue in this study is whether the County has appropriately calculated the overhead costs that are then added onto the billing rate for each contractual position.

Overhead costs are derived from the calculation of "allowable support costs" as set forth by the California Government Code and by County Board policies. California Government Code Section 51350 ("Gonsalves") states that a county that provides law enforcement services to a city through a contract may charge the city all costs that are incurred in providing those services with the exception of the following:

"A county shall not charge a city contracting for a particular service, either as a direct or an indirect overhead charge, any portion of those costs which are attributable to services made available to all portions of the county, as determined by resolution of the Board of Supervisors, or which are general overhead costs of operation of the

⁶ It also includes, where applicable, supplemental services such as Routine City Helicopter, Licensing (e.g. Business License & Renewal, etc.), S.T.A.R. Program, or other supplemental services. Finally, it includes any additional Public Safety Equipment that is required to be purchased for that fiscal year.

county government. General overhead costs, for the purpose of this section, are those costs which a county would incur regardless of whether or not it provided a service under contract to a city.”

Based on Gonsalves, the Board has developed a series of policies to designate which types of overhead costs are not billable. Those excluded overhead costs can be separated into three broad categories: Countywide Services (excluded by Gonsalves), General Overhead Costs (excluded by Gonsalves) and General Leadership and Administrative Functions (excluded by Board Policy). The following is a summary of each of the three types of excluded costs and a list of current Sheriff functions included for each category.⁷

Countywide Services (Gonsalves)

Under Gonsalves, the County may not bill contract cities for law enforcement functions that are made available to all cities within the County without charge. The following is a summary of all functions by Division that the County currently considers “Countywide” and, therefore, excluded by Gonsalves:

- Detective Division Functions – The LASD offers a range of investigative services through its Detective Division that are made available to all cities within the County. These services include specialized units such as Homicide, Narcotics, Human Trafficking, etc.⁸ While not every independent city utilizes these services, they have been made generally available to these cities by policy of the Board.
- Technology and Support Division – This Division includes technology, forensic and record-keeping services. Most of the units within this Division are offered to all cities within the County.⁹ Examples of these services include Scientific Services and Records & Identification.
- Professional Standards and Training Division – The LASD provides a range of professional standards, quality assurance and training opportunities for its law enforcement personnel. Some of these functions are offered generally to all cities within the County. The units included that provide these functions are Recruit Training, the Professional Development Unit, R.C.P.I, and STAR.¹⁰

⁷ In order to ensure that the County complies with Gonsalves and previously established Board policies, the Auditor-Controller and LASD have developed a list of all units within the Department and designated whether that unit’s costs are excluded from billing or allocable to contract cities (See Attachment A).

⁸ The only unit within this Division that is not offered Countywide is the License Detail Unit which is billed to cities separately. The full list of units includes: Administration, Fraud and Cyber Crimes, Cargo CATs, License Detail, Major Crimes Unit, Homicide Bureau, Human Trafficking Bureau, Special Victims Bureau, Narcotics Bureau, Vehicle Theft Program, and Operation Safe Streets Bureau.

⁹ The Fleet Management and a portion of the Data Systems Bureau within this Division are allocated to contract cities. The following units within this Division are currently not allocable: Administration, Records & Identification, Criminal Intelligence, Scientific Services Bureau, Communications, and LARICs.

¹⁰ The costs for the following units within the Professional Standard & Training Division are allocated to contract cities: Internal Affairs, Internal Criminal Investigations, Risk Management, Field Ops Support Services, Advanced Training, Civilian

- Special Operations Division – Special Operations units provide specialized law enforcement services. Some of the units within this Division provide Countywide services that are excluded. These units include: Emergency Operations, Special Enforcement, Reserve Forces, and Arson/Explosives Detail.¹¹

General Overhead Costs (Gonsalves)

Gonsalves also precludes the County from billing contract cities for General Overhead Costs, high-level support costs that the Sheriff would incur whether or not it provided contract services. These costs represent senior leadership functions within the LASD and include the following: Office of the Sheriff, Office of the Undersheriff, Office of the Assistant Sheriff, Executive Planning Council, Sheriff's Information Bureau, and the Audit & Accountability Command.

- Office of the Sheriff – provides executive level leadership and oversight for the entire Department.
- Office of the Undersheriff – The Undersheriff within the Department reports directly to the Sheriff and is responsible for the leadership and oversight of each of the Assistant Sheriff units.
- Office of the Assistant Sheriff – These three units (Custody, Patrol, and Countywide) provide leadership and high-level oversight of these operational units. Each of these units have from three to five divisions. These divisions are led by Chiefs and Commanders who are then responsible for overseeing anywhere from three to eight different bureaus.
- Executive Planning Council – The Executive Planning Council is a council whose function includes the review and approval of high-level policies impacting the Department.
- Sheriff's Information Bureau – This bureau provides information services to Department personnel, the general public and the media. This can include social media and marketing, film and media projects to internal departmental award ceremonies and events.
- Audit & Accountability Bureau – This bureau provides an internal audit type function focused on high-level policy and practice reviews.

General Leadership and Administrative Functions (Board Policy)

Training, Education & Training Records, and LASD University. Advocacy is also included within this Division, but its costs are not billable as they would be considered General Overhead Costs (see next section).

¹¹ This Division also includes the Aero Bureau which charges its services on an hourly basis based on requests from individual cities. It also includes the Transit Services Bureau and the Metrolink Unit which are billed directly to LA Metro and Metrolink.

In addition to the General Overhead Costs excluded by Gonsalves (see above), the Board has also excluded additional administrative costs from billing to contract cities. These overhead costs include high-level administrative functions within the following LASD Divisions: Administrative Services Division, Detective Division, Professional Standards & Training Division, and Technology & Support Division.

Based on our review of prior reports and interviews with staff from the Auditor-Controller, County Counsel and the LASD, these costs have historically been deemed to be at such a high-level of administration that they are analogous to General Overhead costs and, therefore, have been excluded from billing to contract cities. While the County has not designated these costs as excluded by Gonsalves, our interviews with the LASD and County Counsel suggest that these costs are similarly warranted for exclusion given the fact that these services would likely be incurred whether or not the County contracted for law enforcement services to cities.

For FY 2019-20, excluded LASD overhead and administrative costs totaled approximately \$54.1 million and excluded LASD countywide costs totaled approximately \$565.9 million. Combined, LASD excluded costs from billings to contract cities total almost \$620 million(see table below).

SHERIFF'S DEPARTMENT COSTS NOT BILLED TO CONTRACT CITIES FISCAL YEAR 2019-20	
ORGANIZATIONAL UNIT	ESTIMATED FY 2019-20 TOTAL COST
OVERHEAD AND ADMINISTRATIVE FUNCTIONS	
Office of the Sheriff	\$ 5,692,750
Office of the Undersheriff	4,308,585
Office of Assistant Sheriff	4,144,734
Executive Planning Council	416,196
Sheriff's Information Bureau	7,669,754
Audit & Accountability Command	10,410,452
Admin Services Division Administration	6,741,432
Detective Division Administration	2,677,804
Prof Stds & Training Administration	3,270,268
Technology & Support Division Administration	8,733,307
TOTAL	\$ 54,065,282
COUNTYWIDE FUNCTIONS	
Emergency Operations	\$ 20,966,606
Communications	69,019,454
Advocacy	3,208,354
Professional Development Unit	3,249,218
RCPI	771,351
Psychological Services Bureau	7,085,571
Criminal Intelligence	285,936
Human Trafficking	7,358,881
Special Victims	16,660,762
Vehicle Theft	5,730,141
Budget Services	1,740,262
Facilities Services (partial)	67,188,868
Facilities Planning (partial)	7,227,832
Data Systems (partial)	67,216,867
Reserve Forces	2,192,579
Safe Streets Bureau	29,875,755
Special Enforcement	25,674,497
Arson/Explosives	6,672,023
Cargo Theft	1,347,768
Fraud & Cyber Crimes	18,063,945
Major Crimes Unit	19,487,011
Homicide Bureau	36,514,191
Narcotics Bureau	34,654,266

Recruit Training	34,919,190
Records & Identification	30,531,828
Scientific Services	48,277,775
TOTAL	\$ 565,920,931

Findings and Recommendations

Set forth below are the responses to the specific tasks outlined in the work order:

Task No. 1: Review the “Cost Model” to determine the cost excluded from the law enforcement billing rates to contract cities and estimate the dollar value of the excluded costs; and, determine whether the LASD is recovering the actual costs of providing the services. If not, (1) identify whether the excluded costs were not included due to Gonsalves or Board policy and, (2) analyze any portions of the costs excluded based on Board policy that can potentially be billed to contract cities.

As set forth above, Gonsalves restricts the County from billing for certain general overhead costs and for services that are made available to all cities within the County without charge. Since 1973, the Board has developed policies to implement Gonsalves and defined the types of direct and overhead costs that will not be billed to contract cities. Our mandate is to identify possible additional sources of revenue by determining what costs are strictly prohibited by Gonsalves and where the County can alter existing policies to more fully recoup its costs of providing law enforcement services to contract cities. Below is an analysis of select functions within the LASD that may be considered allowable support costs under Gonsalves (in some cases this may require a change in County policies).

Communications Unit

The Communications unit provides communications equipment and services throughout the Department.¹² The functions within this unit include dispatch services for LASD patrol units as well as the use of cell phones, mobile digital computers (MDCs), and mobile and portable radios. These functions are not provided to independent cities – and thus should not be excluded as a Countywide cost -- and directly impact the operations of the Department. As a result, the functions associated with the Communications Unit may be billable to contract cities.

Potential Revenue to the County: \$6,761,844. These costs are not mandated by either Gonsalves or Board Policy to be excluded from billing.

¹² Fleet Services is included within the management of the Communications Unit, but the costs have been designated as an allowable cost and are not included in these figures. License Plate Reader technology has also been segregated out and is charged separately to cities that request that service.

Psychological Services Bureau

The Psychological Services Bureau provides short-term counseling for professional staff and sworn personnel. Counseling services include addressing stress, depression, critical incidents, intimate relationships, grief, etc. These functions are provided to all staff and their spouses to provide licensed support, education, clinical feedback and short-term action plans for those in need. Because these functions are not provided to all cities Countywide, we find these costs may be considered allowable support costs.

Potential Revenue to the County: \$683,378. These costs are not mandated by either Gonsalves or Board Policy to be excluded from billing.

Professional Development Unit

The Professional Development Unit is part of the Training Bureau and is designed to promote educational, leadership, and technical opportunities to assist all personnel at the LASD. While training is available to a wide variety of staff, including units that do not directly serve contract cities, providing education and training is a core function that ultimately benefits each of the direct services being provided. Because these functions are not provided to all cities Countywide, these costs may be considered allowable support costs.

Potential Revenue to the County: \$323,705. These costs are not mandated by either Gonsalves or Board Policy to be excluded from billing.

Regional Community Policing Institute

The Regional Community Policing Institute (RCPI) provides training related to community policing and problem solving. Classes relate to school violence preparedness, community preparedness, prevention of urban terrorism, use of force, gang violence prevention, conflict resolution, ethics and integrity, and leadership development. As with the Professional Development Unit, training that directly impacts the professionalism and capacity of law enforcement operations should be included as an Allowable Support Cost.

Potential Revenue to the Department: Undetermined. Based on our interviews, this unit is being reorganized with the personnel being reassigned. If those personnel, however, continue to provide training that impacts personnel serving contract cities, those costs should be determined and included as an allowable support cost. These costs are not mandated by either Gonsalves or Board Policy to be excluded from billing.

Facilities Services and Facilities Planning

The Facilities Services and Facilities Planning Bureaus are responsible for maintaining

and upgrading all of the LASD's facilities, including those Sheriff-owned facilities that serve contract cities. Historically, contract cities have been allocated 5% of costs associated with both bureaus. In its March 10, 2005 report to the Board of Supervisors, the Auditor-Controller noted that there does not appear to be any documentation defining the methodology for allocating only 5% (which we confirmed) and suggested that a higher percentage, if not a full allocation, should be considered.

Because of the lack of a defined methodology, it is possible that the County is not realistically recouping the costs associated with operating these bureaus. Possible alternative methodologies include (1) allocating these services similar to any other administrative cost, (2) individually charging cities for assigned sub-stations and a portion of non-patrol properties be allocated similar to other administrative expenses.

Potential Revenue to the County: Undetermined, but potentially as high as \$7,301,353 if all expenses are allocated similar to other administrative costs. These costs are not mandated by either Gonsalves or Board Policy to be excluded from billing.

Finding #1: A portion of the following services could potentially be billed to contract cities without violating Gonsalves or existing Board policies: (1) Communications, (2) Psychological Services Bureau, (3) Professional Development Unit, (4) Regional Community Policing Institute, and (5) Facilities Services and Planning.

Recommendation No. 1: We recommend that LASD in consultation with the Auditor-Controller Accounting Division verify and quantify the costs not being fully billed for the above identified LASD functions to determine the cost impact to the contract cities billing model. Once those costs are determined, LASD should seek direction from the Board to determine whether it is appropriate for LASD to work with the contract cities and its association to review the nature of these additional costs and whether it is feasible to pass some or all of these costs onto the contract cities in a manner that does not result in reductions in service or other adverse impacts.

Task No. 2: Identify the cost-benefit potential and unintended outcomes that may result from increased billings to contract cities.

The potential for increased billings brings with it the possibility of negative consequences.¹³ The primary concerns include the following:

- ***Reduced Contract Services*** – A key risk cited by the LASD is the potential that contract

¹³ The purpose of this task is to provide the potential impacts of a change in policy and does not request a recommendation on whether the County should change existing policies to recoup additional revenue from contract cities.

cities will attempt to offset any cost increases by reducing the amount of contracted services. This may include eliminating supplemental services or, more significantly, reducing patrol services.

- *Impact on Crime and Arrest Rates* - Any reduction in services could impact overall crime and arrest rates within individual cities, but also the County overall.
- *Existing Relationships with Contract Cities* – By attempting to reclassify costs that have historically been covered by the County, there is the risk that existing relationships between the Sheriff and the contract cities will be strained. This is especially concerning in light of expected revenue shortfalls for government agencies due to the recent pandemic. As above, this is especially concerning as it relates to the providing of direct services.

Task No. 3: Identify and evaluate other possible additional sources of revenue for law enforcement services provided to contract cities and independent cities and the potential and unintended outcomes that may result from charging for these services.

LASD provides a number of “Countywide” functions without charge to independent or contract cities. These services include certain investigative services (e.g. Homicide, Narcotics, etc.)¹⁴, Scientific Services and Recruit Training. Because these services are offered Countywide, they are currently excluded from billing to contract cities pursuant to Gonsalves.¹⁵

While it is possible that the County could decide to no longer provide those services to independent cities (and only to contract cities), this would alter a long-standing policy and practice within County law enforcement. Such a change would have three significant impacts. First, this would likely result in a large increase in overall costs to the contract cities and, as detailed more specifically above in Task No. 2, potentially result in calls for a reduction in contract services. Second, because the nature of these services is variable and would be billed on a “time and material” basis, the contract cities would no longer have a fixed budget for law enforcement services. This new approach to billing contract cities could create difficulties for cities in adopting and managing their budget, something highly valued by the contract cities currently. And third, LASD does not currently have an existing process to track and apportion the costs of these functions to individual cities and, as such, would require the

¹⁴ The list of investigative services includes: Criminal Intelligence, Human Trafficking, Special Victims, Vehicle Theft, Reserve Forces, Safe Streets Bureau, Special Enforcement, Arson/Explosives, Cargo Theft, Fraud & Cyber Crimes, Major Crimes, Homicide, and Narcotics. While these functions are made available to all cities within the County, many of these cities regularly perform these functions using their own law enforcement agencies.

¹⁵ While the total cost of these units is approximately \$315 million, these costs are not tracked by city and so it is currently not feasible to estimate what the cost of potential revenue to the County might be. These costs are excluded from billings because these services are provided to both independent and contract cities without billing.

investment of time and money to develop and implement this system.

Task No. 4: Identify whether LASD is providing contract cities with services greater than those included and/or reimbursed by the contract.

Annually, the LASD and each contract city establish specific patrol services levels, equipment needs and any other additional services requested (e.g. Routine Helicopter Agreement, License Detail, STAR Program and other supplemental services) for the following year. To ensure that the LASD is meeting -- and not exceeding -- the agreed to services levels, the LASD uses a "compliance rate" which measures the number of hours billed to a jurisdiction in comparison to the number of hours budgeted on a monthly and annual basis. Where short- or long-term staffing needs are increased, those changes are agreed to by both entities and the additional time is billed to the jurisdiction based on established billing rates. The following is a sample Service Level Authorization form:



LOS ANGELES COUNTY SHERIFF'S DEPARTMENT
CONTRACT CITY LAW ENFORCEMENT SERVICES
SERVICE LEVEL AUTHORIZATION (SH-AD 575)

ATTACHMENT A

CITY: _____

FISCAL YEAR: 2021-2022

EFFECTIVE DATE: _____

DEPUTY SHERIFF SERVICE UNIT													
RANK	RELIEF FACTOR	SERVICE CODE	NEW	PREV.	CHANGE	ANNUAL RATE	ESTIMATED TOTAL ANNUAL COST	LIABILITY 11%	TOTAL ANNUAL COST W/LIABILITY	ANNUAL HOURS PER SERVICE UNIT	ANNUAL HOURS SCHEDULED	ANNUAL MINUTES SCHEDULED	PERSONNEL REQUIRED
					0.00				\$ -		0	0	0.000
					0.00				\$ -		0	0	0.000
					0.00				\$ -		0	0	0.000

DEPUTY SHERIFF SERVICE UNIT (BONUS)													
RANK	RELIEF FACTOR	SERVICE CODE	NEW	PREV.	CHANGE	ANNUAL RATE	ESTIMATED TOTAL ANNUAL COST	LIABILITY 11%	TOTAL ANNUAL COST W/LIABILITY	ANNUAL HOURS PER SERVICE UNIT	ANNUAL HOURS SCHEDULED	ANNUAL MINUTES SCHEDULED	PERSONNEL REQUIRED
					0.00				\$ -		0	0	0.000
					0.00				\$ -		0	0	0.000

GROWTH/GRANT DEPUTY UNIT													
RANK	RELIEF FACTOR	SERVICE CODE	NEW	PREV.	CHANGE	ANNUAL RATE	ESTIMATED TOTAL ANNUAL COST	LIABILITY 11%	TOTAL ANNUAL COST W/LIABILITY	ANNUAL HOURS PER SERVICE UNIT	ANNUAL HOURS SCHEDULED	ANNUAL MINUTES SCHEDULED	PERSONNEL REQUIRED
					0.00				\$ -		0	0	0.000
					0.00				\$ -		0	0	0.000
					0.00				\$ -		0	0	0.000
					0.00				\$ -		0	0	0.000

SUPPLEMENTAL POSITIONS													
RANK	RELIEF FACTOR	SERVICE CODE	NEW	PREV.	CHANGE	ANNUAL RATE	ESTIMATED TOTAL ANNUAL COST	LIABILITY 11%	TOTAL ANNUAL COST W/LIABILITY	ANNUAL HOURS PER SERVICE UNIT	ANNUAL HOURS SCHEDULED	ANNUAL MINUTES SCHEDULED	PERSONNEL REQUIRED
					0.00				\$ -		0	0	0.000
					0.00				\$ -		0	0	0.000
					0.00				\$ -		0	0	0.000
					0.00				\$ -		0	0	0.000

Estimated Cost for Service Units: \$	-	Total Liability (11%): \$	-	Estimated Subtotal: \$	-
			Public Safety Equipment Cost (See page 3): \$	-	
			Estimated Total Annual Cost:	\$ -	

The terms of this Service Level Authorization (SH-AD 575) will remain in effect until a subsequent SH-AD 575 is signed and received by LASD. Notwithstanding, annual rates shall be revised annually per Sections 8.2 and 11.3 of the MLESA.

LASD Approval By:

UNIT COMMANDER NAME

SIGNATURE

DATE

Report Prepared By:

SERGEANT

DATE

City Approval By:

"I certify that I am authorized to make this commitment on behalf of the City."

CITY OFFICIAL NAME

SIGNATURE

DATE

Processed at CLEB By:

SERGEANT

DATE

The Service Level Authorization form uses average billing rates for each of the identified positions to allow the LASD flexibility in staffing. In light of this approach, the LASD does not maintain a separate accounting of actual salary and benefit expenses by individual contract cities. Because these rates are established by the Auditor-Controller's Office based on actual salary and benefit costs for the next fiscal year, the total costs of staffing should be captured in the aggregate of billings for all of the contract cities.

To ensure that the LASD is meeting its compliance rate (98% of the budgeted service level) and not exceeding its obligations (anything above 102% of the budgeted service level), LASD staff bill their time during the course of the day to specific jurisdictions. For example, if a patrol deputy is called away from one jurisdiction to respond to an incident in another jurisdiction, that patrol deputy would report the actual time spent at each at the conclusion of the shift.

Finding #3: The Sheriff did not exceed the compliance levels for any of the sample cities for FY 2017-18 and FY 2018-19 based on our sample review of individual cities for FY 2017-18 through FY 2019-20 to evaluate compliance rates. However, in FY 2019-20, the LASD exceeded compliance for each of the cities reviewed. Compliance levels ranged from 104.19% on the low end to 106.89% on the high end. Based on interviews, compliance levels spiked because of the additional resources and overtime associated with the civil disturbances following the death of George Floyd.

While our review indicates that the LASD is generally not providing additional patrol services to contract cities, there are several services provided to contract cities for which the LASD does not seek reimbursement. For a more detailed review of these services, see Section IV, Task No. 1. We have included findings and recommendations for which of those services could be billed to contract cities

3. TRIAL COURT SECURITY FUNDING

Introduction/Summary of Conclusions

In 2012, the State passed the Superior Court Security Act of 2012 ("Act") which placed responsibility for the provision of trial court security services on the counties. The Act required LASD to enter into an initial Memorandum of Understanding (MOU) with the local superior court specifying an agreed-upon baseline service level for security services and the

cost for those services. This baseline would then be the basis for establishing State-wide funding allocations amongst the different counties. In April of 2014, LASD and the Superior Court of Los Angeles (“Court”) entered into a MOU developing a Comprehensive Court Security Plan (“Plan”).

Pursuant to the Act, the State changed the mechanism for funding trial court security services. Instead of using general fund monies, the State created a dedicated source of funding using sales tax and vehicle license fee revenues apportioned amongst the counties. Using the baseline service levels agreed to by each county, the State then established a methodology to annually apportion those funds. The legislation states that counties cannot increase their funding levels unless new courtrooms are created, thereby requiring a higher level of baseline services.

Since the execution of the MOU, LASD has acknowledged that the level of funding provided by the State has been and continues to be insufficient to pay for the stipulated baseline services.¹⁶ This is due to a number of factors including (1) the failure of the State to reimburse LASD for leadership and administration costs, (2) the rising cost of salaries and benefits, and (3) the failure to adequately estimate the cost of baseline services in the initial Plan.¹⁷

The following is a summary of our findings and recommendations for this section:

Finding #1: Funding for Trial Court Services has been insufficient to meet service level obligations. The funding deficit issue has been exacerbated by the MOU not allowing reimbursement for managerial staff above the rank of sergeant or any administrative staff, as well as not allowing reimbursement for continued increases in staffing and benefit costs. This deficit resulted in a Net County Cost of approximately \$77 million in FY 2019-20.

Finding #2: Prior to FY 2016-17, the LASD did not receive reimbursement from the Court for certain services which the Court determined to be a part of the base services provided by LASD. Beginning in FY 2018-19, the LASD worked with the Court to re-categorize certain services as “supplemental” to ensure that LASD received additional funding for those services. Since that time, revenues for supplemental services have increased significantly.

Recommendation #1: In future negotiations between LASD and the Court, LASD should attempt to define more clearly what constitutes supplemental services to make the policy consistent across courthouses and ensure full reimbursement for

¹⁶ *Trial Court Funding Review: Countywide Operations – Court Services Division Project No. 2019-3-P*, Los Angeles County Sheriff’s Department, Audit and Accountability Bureau, April 30, 2020.

¹⁷ During our interviews with Court Services Bureau and with the Audit and Accountability Bureau, LASD staff indicated that they are unaware of any documented history as to how the initial funding estimates were developed but acknowledged that the deficits began almost immediately and have continued.

supplemental services.

Recommendation #2: As part of the renegotiation of the MOU, LASD negotiated terms to provide LASD more flexibility in staffing courthouses by eliminating its requirement to achieve 98% staffing over the course of the year. LASD should implement practices to maximize this new staffing flexibility to minimize the need for overtime or supplemental staffing.

Trial Court Services Background

In 2012, the State passed the Court Security Act which changed the source of funding for court security. The State created the Trial Court Security Account and a Trial Court Security Growth Account (“Trial Court Accounts”) which receives an established percentage of sales tax and vehicle licensing fees.¹⁸ These funds are then apportioned to the counties based on each county’s original baseline service costs set forth in the MOU with their local courts. Counties cannot receive additional funding for baseline services unless new courtrooms are created within the County. The State initially assigned \$496 million in tax revenues to the counties with any growth in these tax revenues to be included in future funding.

In April of 2014, LASD and the Court entered into an MOU that included a Comprehensive Court Security Plan. This plan set forth a “baseline” service level for court security staffing, after-hours security, building emergency coordination, and training, as well as supervision for these functions that would be funded directly by the State. The MOU also provided for the reimbursement of “supplemental services” that could be requested on an as-need basis by the Court and would be reimbursed by the Court.

LASD provides security to the Court System through the Court Services Division (“CSD”). The Court System is the largest court of general jurisdiction in the country, accounting for approximately 1/3 of the trial courts statewide. The CSD provides bailiffs for more than 600 courtrooms, delivers and supervises more than 1,000 in-custody criminal defendants, and screens approximately 24 million annual visitors entering court buildings throughout the county. The CSD also provides special judicial protection services, serves bench warrants and restraining orders, and other law enforcement and security services ordered by the court. The Comprehensive Court Security Plan adopted in 2014 called for the deployment of 1,246 FTEs by LASD for baseline services.

The total excess cost for Trial Court services in FY 2019-20 was approximately \$77 million.¹⁹ Because of the inflexibility of the existing legislation, LASD is currently unable to seek additional funding from the State. Moreover, because the service levels are pre-defined by the original MOU, LASD has little discretion to reduce those services. The chart below shows

¹⁸ Government Code Sections 30025 and 30027

¹⁹ For FY2019-20, the total cost excess could be interpreted to reach approximately \$160 million if costs include overhead for Salaries and Wages (Divisional, Departmental and Countywide) and for Administrative Headquarters direct costs.

a summary of Trial Court revenues versus expenditures from the period beginning FY 2016-17 through FY 2019-20.

Trial Court Revenues v. Expenditures				
	FY17	FY18	FY19	FY20
Trial Court Revenue*	\$165,045,598	\$167,309,521	\$174,718,164	\$153,195,757
Trial Court Total Expenses (w/o full overhead)	\$212,126,993	\$230,867,146	\$251,593,959	\$230,246,690
Variance	-\$47,081,395	-\$63,557,625	-\$76,875,795	-\$77,050,933
*Trial Court Revenue is pursuant to actual Realignment funding received				

Findings and Recommendations

While LASD has experienced significant deficits associated with providing trial court services, the existing legislation does not allow for LASD to seek additional funding for its baseline funding. Pursuant to realignment, the State provided dedicated funding for the provision of trial court security services based on sales tax and vehicle license fees revenues and has stated that no additional general fund monies are available. Despite widespread concerns of underfunding by a number of counties, efforts to have the State address the underfunding of trial court services have been unsuccessful.

Set forth below are the responses to the specific audit questions:

Task No. 1: Identify the trial court security services that State reimbursements are intended to cover and whether the amount reimbursed is appropriate.

As set forth above, the 2014 MOU established a baseline level of security services to be provided to the Court. The MOU and subsequent Security Plan stipulates that LASD will provide 1,246 FTEs with detailed specifications by courthouse on the numbers of sergeants, bonus deputies, deputy sheriffs, custody assistants, sheriff security officers, and sheriff security assistants. It is important to note that State funding does not include reimbursements for managerial staff above the rank of sergeant and administrative staff, functions which are essential to provide and oversee trial court services.

Baseline court security services provided by LASD include, but shall not be limited to, all of the following:

- Bailiff functions, as defined in Sections 830.1 and 830.36 of the Penal Code, in criminal and noncriminal actions, including, but not limited to, attending court.
- Taking charge of a jury, as provided in Sections 613 and 614 of the Code of Civil Procedure.
- Patrolling hallways and other areas within court facilities.
- Overseeing and escorting prisoners in holding cells within court facilities.
- Providing security screening within court facilities.
- Providing enhanced security for judicial officers and court personnel.

We found that LASD is being reimbursed at rates consistent with the MOU. State funding is not based on actual costs, but rather on an allocated share of sales tax and vehicle revenue license fees. While there has been marginal growth in the funding (based on growth in sales tax and vehicle licensing fees), it has not been enough to cover the actual growth of LASD expenses. Because trial court funding comes from a dedicated revenue source and is apportioned based on a fixed percentage, the actual expenditures of LASD ultimately have no bearing on the ability to collect additional revenue for baseline services.

We also found that the LASD is currently providing services consistent with – and not in excess of -- the MOU. The LASD maintains a daily log for all staffing within the trial courts and produces a monthly compliance report. These reports are used by both the LASD and the Courts to ensure that staffing levels are within 98% to 102% of the levels set forth in the MOU on a monthly and annual basis. Our sampling of FY 2019-20 compliance reports did not indicate that the LASD is providing services beyond those set forth in the MOU.

Finding #1: Funding for Trial Court Services has not been sufficient to meet service level obligations. The issue has been exacerbated by the fact that the MOU does not include payments for managerial staff above the rank of sergeant or any administrative staff as well as continued increases in staffing and benefit costs. This deficit has resulted in excess costs of approximately \$77 million in FY 2019-20.

Recommendation #1: In future negotiations between LASD and the Court, LASD should attempt to more clearly define what constitutes supplemental services to make the policy consistent across courthouses and ensure full reimbursement for supplemental services.

The MOU does allow for some additional billing to the Court when the LASD provides “supplemental services”. These supplemental services are special requests made by the Court for additional staffing not anticipated in the baseline estimates. Supplemental services vary in nature but can include the need for additional bailiffs to staff multiple defendant criminal cases and other discrete, short-term staffing needs. LASD is required to seek approval for the deployment of additional services through the use of a Temporary Special

Service Request (“TSSR”). Approved TSSR’s are then the basis for LASD to submit an internal voucher to the Auditor-Controller and the Court. Request for TSSR reimbursements is to be made on a monthly basis.²⁰

Prior to FY 2016-17, LASD did not consistently receive approval of submit internal vouchers for payment based on the deployment of supplemental services. In many of those circumstances, the Court made the determination that those additional costs were part of the base services to be provided. The result was an undetermined loss of revenue between FY 2013-14 and FY 2018-19. In FY 2016-17, the Court Services Division worked with the Court to re-evaluate certain activities so that LASD could seek reimbursement for those costs as supplemental services and, as such, supplemental revenues reached its peak of \$946,809 in FY 2018-19.

Finding #2: Prior to FY 2016-17, the LASD did not receive reimbursement from the Court for certain services which the Court determined to be a part of the base services provided by LASD. Beginning in FY 2018-19, the LASD worked with the Court to re-categorize certain services as “supplemental” to ensure that LASD additional funding for those services. Since that time, revenues for supplemental services have increased significantly.

Recommendation #2: LASD should continue to work with the Court to define what constitutes supplemental services to ensure the policy is consistent across courthouses and ensure full reimbursement for supplemental services.

Task No. 2: Identify specific law(s) that may prevent LASD from claiming reimbursement for actual full or direct costs for the services provided.

As discussed above, the Court Security Act and Government Codes Sections 30025 and 30027 define the revenue sources for trial court security funding provided to the counties. The funding comes from dedicated sales tax and vehicles license fee revenues and then are apportioned to the counties. The percentage apportioned to counties was based on the initial reimbursable baseline expenses agreed to by each county and their respective court.

Under the Government Code, counties may see additional baseline funding as a result of “court construction projects” that result in an increase in security (Government Code Section 69927). Based on this limitation, LASD is not entitled to, nor may it seek additional funding for baseline services absent future court construction that directly impacts staffing needs as a result of the construction.

Task No. 3: Review and identify potential opportunities to collect additional revenue or reduce costs to offset the actual cost of providing trial court security services under current State law.

²⁰ MOU, Sections III(B)(3) and IV(A).

Under the Court Security Act, a sheriff is required to “attend all superior court sessions held within his or her county” and is further “responsible for the necessary level of court security services, as established by the Memorandum of Understanding” between it and the local court.²¹ The Sheriff and the presiding judge of the Court shall then develop an annual or multiyear comprehensive court security plan that includes mutually agreed upon law enforcement service levels.²² If the parties are “unwilling or unable” to agree on levels of staff, the Court Security Act provides for a dispute resolution process.²³

The Comprehensive Court Security Plan agreed to by LASD and the Court within the 2014 MOU has been in place for over 6 years. The original MOU was for a period of 5 years, but the parties have continued to operate under the terms of the original MOU. As a result, LASD and the Court are in the process of renegotiating the MOU. Based on our interviews with CSD staff, it is unlikely that the Court would agree to any reduction in overall service levels. The original staffing model was built based on a historical review of courthouse staffing levels required and those needs have not significantly changed since the adoption of the MOU.

While LASD may not be able to achieve a reduction in overall service levels, there may be an opportunity to negotiate terms within the new MOU to allow LASD greater flexibility in daily staffing levels. As an example, where a courtroom will be vacant on a given day, it may be possible to utilize that bailiff for another function within the courthouse. This strategy would help mitigate the need to employ overtime or additional personnel to meet daily staffing issues such as vacation or illness. This strategy, if implemented, could achieve a meaningful reduction in court security costs.

Recommendation #2: As part of the renegotiation of the MOU, LASD negotiated terms to provide LASD more flexibility in staffing courthouses by eliminating its requirement to achieve 98% staffing over the course of the year. LASD should implement practices to maximize this new staffing flexibility to minimize the need for overtime or supplemental staffing.

Task No. 4: Evaluate whether the County should pursue changes in State laws that would allow LASD to better recover the actual direct and/or full costs of providing trial court security services.

As part of our review, we interviewed staff from the Legislative Advocacy section within LASD. Our discussions found that LASD and the County have attempted to work with the State to address underfunding issues that exist not only within Los Angeles County but other counties similarly struggling with underfunding for trial court services. LASD has also reached out to the California State Sheriff’s Association to seek guidance and potential

²¹ Government Code Section 69921.5 and 69922.

²² Government Code Section 69925.

²³ Government Code Section 69926.

support. To date, no progress has been made to either increase the dedicated funding to the Trial Court Accounts, nor to increase Los Angeles County's share of funding.

Task No. 5: Discuss with County Counsel any legal mandates, laws, or other requirements that may limit LASD's ability to recover additional costs of trial court security services provided.

Our review included a discussion with County Counsel staff regarding the ability to recover additional costs associated with trial court security services. We reviewed our findings above related to our interpretation of the applicable Government Code sections and they were validated by County Counsel staff.

4. CIVIL IMMIGRATION DETAINERS

Introduction/Summary of Conclusions

U.S. Immigration and Customs Enforcement (ICE) issues civil detainers to law enforcement agencies to provide notice of its intent to assume custody of undocumented persons who have been arrested on criminal charges. The ICE detainer requests that a law enforcement agency notify ICE before the undocumented person is released from custody and then maintain custody for up to 48 hours until ICE is able to take custody.²⁴

ICE often becomes aware of undocumented persons within custody at local jurisdictions through the Integrated Automated Fingerprint Identification System (IAFIS). IAFIS was designed by the FBI to provide a searchable national database to identify persons suspected of criminal activity and is accessible by local, state and federal law enforcement agencies. The database is, in part, populated through the collection of fingerprints from those arrested by law enforcement agencies. ICE routinely employs IAFIS to identify undocumented persons arrested by local agencies and then, when ICE deems it appropriate, will issue a civil detainer to the local law enforcement agency making the arrest.

In May of 2019 the Sheriff's Civilian Oversight Commission (COC Report) issued the *L.A. County Sheriff's Department Cooperation with Immigration and Customs Enforcement* report. This report noted ICE had recently increased efforts to take custody of undocumented persons through the issuance of civil detainers. In 2017, ICE sent LASD more than 1,800 detainer requests, a 68.9% increase in the receipt of ICE detainers from 2016. In 2018, ICE also issued more than 1,120 ICE detainer requests, a 110.4% increase in the number of such detainers received in 2016.

During the time that ICE had been increasing its deportation efforts, the State passed a series of legislative acts (the "Truth", "Trust" and "Values" acts) to address how local law

²⁴ <https://www.ice.gov/detainers>

enforcement agencies respond to ICE detainers. Moreover, since 2017 the County and LASD have adopted policies limiting and, eventually, terminating LASD's compliance with ICE civil detainers.

In 2017, LASD implemented a series of policies in accordance with the Trust, Truth and Values Acts designed only to release "the most violent and dangerous" incarcerated individuals to ICE for possible deportation. As a result of these policy changes, LASD has significantly reduced the number of staff responding to ICE detainers. LASD also decided to forego applying for the SCAAP grant that provided funding to LASD because the grant would have required LASD to provide data to the Justice Department related to undocumented incarcerated individuals. Currently, LASD has two part-time custody assistants that handle ICE detainer requests.

The following are our findings and recommendations for this section:

Finding #1: The current costs related to ICE civil immigration detainers consist of two part-time custody assistants. The function of these custody assistants is to provide information to incarcerated individuals and their counsel, not to ICE. These costs are not reimbursable by ICE.

Finding #2: In 2019, the LASD made a policy decision not to seek State Criminal Alien Assistance Program (SCAAP) funding. This decision was made consistent with its policy not to provide reporting to DHS related to undocumented persons and those suspected of being undocumented.

Recommendation #1: In light of the change in the federal administration and the success of the recent protest of reporting requirements within the Byrne JAG Grant, we recommend that the LASD apply for future and SCAAP grants using the same approach taken for the Byrne JAG Grant.

Potential Revenue to the County: Potentially in excess of \$2 million annually. Based on current policy, the County is no longer eligible for SCAAP funding. Were the policy to change to permit the required reporting to the federal government, there is the potential to increase revenue in excess of \$2 million annually.

Legislative and Policy Background

From 2013 through 2017, the State of California enacted a series of laws related to how law enforcement agencies within California respond to civil ICE detainers. During a similar timeframe, the County and LASD also developed a series of policies related to ICE detainers. Below is a summary of the relevant legislative actions and policy developments.

California Trust Act

In 2013, California enacted the Transparency and Responsibility Using State Tools (Trust) Act. The Trust act limits law enforcement agencies' discretion to prolong detention pursuant to ICE detainers. The law provides that undocumented persons should not be detained at the direction of ICE unless the individual has been convicted of certain types of crimes.²⁵

California Values Act

In 2017, the State approved Senate Bill 54 entitled the California Values Act of 2017 (Values Act). The Values Act is designed to ensure that State and local agencies do not use their resources on behalf of federal immigration enforcement. The Values Act prohibits the use of state and local resources to investigate, interrogate, detain, detect or arrest persons for immigration violations.²⁶

California Truth Act

In 2017, the State enacted the Truth Act requiring law enforcement agencies dealing with ICE to provide the incarcerated individual with a written consent form prior to any interview with ICE that explains the purpose of the interview, that the interview is voluntary, and that he or she may decline to be interviewed or may choose to be interviewed only with his or her attorney. The Truth Act also requires that a law enforcement agency provide a copy of the ICE detainer to the individual and inform him or her whether the law enforcement agency intends to comply with the request.²⁷

Findings and Recommendations

Set forth below is our response to the specific tasks outlined in the work order:

Task No. 1: Review and analyze how LASD uses their resources on administrative and personnel costs required to track and respond to ICE civil immigration detainers; and, identify the portion of staff and associated costs that are directly and indirectly attributable to ICE civil immigration detainers.

In 2017, LASD implemented a series of policies in accordance with the Trust, Truth and Values Acts designed only to release “the most violent and dangerous” incarcerated individuals to ICE for possible deportation.²⁸ To ensure consistent application of these policies, LASD centralized its handling of ICE detainer requests through the creation of the Release Compliance Desk (RCD) responsible for processing and vetting ICE detainers. These

²⁵ Government Code Sections 7282.5 and 7783.1

²⁶ Government Code Sections 7282 and 7282.5

²⁷ Government Code Section 7783.1

²⁸ See, January 10, 2017 letter from Sheriff Jim McDonnell to the Board of Supervisors.
<http://file.lacounty.gov/SDSInter/bos/supdocs/110712.pdf>

responsibilities included giving notice to the undocumented person (and their attorney) of the detainer, determining whether there was a qualifying conviction and notifying ICE following the vetting process. Prior to reducing its staff in FY 2018-19, the LASD had staffed the RCD with 12 custody assistants at an estimated cost of approximately \$1.38 million.²⁹

From 2017 to the present, LASD has continued to limit its response to ICE civil detainees:

- In December 2018, LASD established a policy that ICE agents could no longer be housed at LASD facilities. While they could enter an individual facility, they were not allowed to maintain a physical presence at the facilities.
- In February 2019, LASD adopted a policy prohibiting ICE agents from retrieving undocumented persons from any custody facility, station jail, or court lock-up pursuant to a civil immigration enforcement action. However, LASD still provides notice to ICE of release information for undocumented persons.
- In April of 2020, LASD stopped directly notifying ICE of the release of undocumented persons from County custody.³⁰

The effect of these decisions has been to essentially end cooperation with ICE relating to the release of undocumented persons from County custody.

As a result of these policy changes, LASD has significantly reduced the number of staff responding to ICE detainees. Currently, LASD has only two part-time custody assistants that handle ICE detainer requests. Pursuant to the Truth, Trust and Values Acts, their primary duties are to file the request and to notify the person in custody (and their attorney) of the detainer. No further action is taken.

Finding #1: The current costs related to ICE civil immigration detainees consist of two part-time custody assistants. The function of these custody assistance is to provide information to incarcerated individuals and their counsel, not to ICE. These costs are not reimbursable by ICE.

Task No. 2: Analyze the propriety of seeking reimbursement from the federal government for the costs attributable to ICE’s civil immigration detainees and identify additional actions that should be taken to seek federal reimbursement for LASD’s costs to address ICE’s civil immigration detainees.

Given the significant reduction in ICE services being provided by LASD and the fact that current policies do not support ICE objectives, it is highly unlikely that LASD could seek reimbursement from the federal government for costs attributable to ICE detainees.

²⁹ COC Report, p. 20

³⁰ Lists of all incarcerated individuals being released are made available to the public on the LASD website Public Data Sharing Custody Reports homepage. This public information is made available for the purposes of ensuring that information is available to victims and potential witnesses of a crime.

Moreover, in our discussions with LASD staff, it is unclear whether the County ever had an agreement with the federal government to receive compensation for housing immigration detainees.³¹

However, based on our interviews with LASD staff, County Counsel, and additional research, we identified two potential sources of revenue from the federal government related to the detention and release of undocumented persons: (1) the State Criminal Alien Assistance Program, and (2) directly contracting with ICE to perform detention services. As discussed below, LASD would need to make a change in one or more policies to pursue either revenue source.

State Criminal Alien Assistance Program Grant Funding

Historically, the County has applied for and received funding pursuant to the State Criminal Alien Assistance Program (SCAAP). SCAAP is a grant program offered by the Department of Justice (DOJ) to provide federal payments to agencies that have incurred certain costs associated with incarcerating undocumented persons who (1) were convicted of at least one felony or two misdemeanor convictions, and (2) were incarcerated for at least 4 consecutive days during the reporting period. SCAAP payments are based on a formula that provides a relative share of funding to jurisdictions that apply and is based on the number of eligible criminal undocumented persons.³² In addition to providing detention services, the grant requires that agencies provide “detailed information” to the federal government regarding undocumented persons (or those reasonably believed to be undocumented) who have been incarcerated.³³ In essence, this reporting has the effect of identifying undocumented persons to the federal government who they might not have previously been aware of.

From 2010 through 2018, the County applied for and received SCAAP funding. The amount of funding varied significantly from year to year during that time period. In 2010, funding was about \$14 million. SCAAP funding has steadily decreased, with the funding for 2016, 2017 and 2018 being \$6.07 million, \$2.12 million and \$2.53 million respectively.

In 2019, LASD made a policy decision to no longer apply for SCAAP funding. It was decided that the reporting requirements related to undocumented persons and those suspected of

³¹ Records prior to 2013 were no longer available to provide information as to whether such an arrangement had previously existed.

³² <https://bja.ojp.gov/program/state-criminal-alien-assistance-program-scaap/overview>

³³ The SCAAP application states, in pertinent part: “‘State’ or ‘unit of local government’ is eligible to apply for a payment under the FY 2019 program if it ‘incarcerated’ individuals in a ‘correctional facility’ during the ‘reporting period’ whom it either— (1) knows were ‘undocumented criminal aliens,’ or (2) reasonably and in good faith believes were ‘undocumented criminal aliens.’” The application goes on to state: “Each applicant government isto provide detailed information about the individuals— (1) whom the applicant government ‘incarcerated’ for at least four *consecutive* days during the ‘reporting period,’ and (2) who the applicant government either *knows* were ‘undocumented criminal aliens,’ or *reasonably and in good faith believes* were ‘undocumented criminal aliens.’” <https://bja.ojp.gov/sites/g/files/xyckuh186/files/media/document/BJA-2019-16532.p>

being undocumented amounted to LASD “selling” our information to the federal government enabling potential deportation. As a result, LASD no longer applies for or receives any SCAAP funding.

Recent events suggest that LASD should consider reapplying for SCAAP funding. First, the LASD and the County Counsel were successful in seeking grant funding under the Edward Byrne Memorial Justice Assistance Grant Program (“Byrne JAG Grant”) by legally protesting the grant requirement associated with information related to the immigration status of incarcerated individuals, analogous to the SCAAP requirements. Moreover, the change in the administration at the federal level that has occurred since that time suggests such the DOJ would be even more agreeable to such a protest, thereby allowing LASD to apply for SCAAP funding without compromising its current reporting policies. This analysis was confirmed by the County Counsel’s Office.

Finding #2: In 2019, LASD made a policy decision not to seek SCAAP funding. This decision was made consistent with its policy not to providing reporting to DHS related to undocumented persons and those suspected of being undocumented.

Recommendation #1: In light of the change in the federal administration and the success of the recent protest of reporting requirements within the Byrne JAG Grant, we recommend that the LASD apply for future and SCAAP grants using the same approach taken for the Byrne JAG Grant. LASD should also determine whether it is possible to seek reimbursement for prior expenses through a retroactive grant application.

Potential Revenue to the County: Potentially in excess of \$2 million annually. Based on current policy, the County is no longer eligible for SCAAP funding. Were the policy to change to permit the required reporting to the federal government, there is the potential to increase revenue in excess of \$2 million annually.

ICE Contract to Provide Detention Services

From 2013 through 2018, ICE entered into contracts with three California cities and four California counties to provide detention services for immigration detainees. Those counties included Orange, Contra Costa, Sacramento, and Yolo. Since that time, Contra Costa County and Sacramento County have ended their contracts with ICE. In the contracts, ICE provided compensation to these cities and counties at an established amount per day per detainee for detention costs depending on the nature and location of the facility.³⁴

Based on our interviews with LASD staff, it is unclear whether the County has ever had an agreement with the federal government to receive compensation for housing immigration detainees as records prior to 2013 are no longer available. However, it is clear that since

³⁴ See, *City and County Contracts with U.S. Immigration and Customs Enforcement*, Auditor Controller of the State of California, February 2019.

2013, the County has not entered into any contract with ICE to provide detention services.

In 2019, the Auditor-Controller of the State of California issued a report entitled City and County Contracts with U.S. Immigration and Customs Enforcement. One of the purposes of the report was to evaluate whether the cities and counties participating in these contracts were being fully reimbursed for their costs in providing the services. The State Auditor-Controller's found that "none of the four counties that we reviewed ensured that ICE fully paid for the cost of housing detainees each year during our audit period." While the report went on to make some recommendations on how to improve cost recovery, there was no indication that the counties would ever profit from the additional services provided.

Finding #3: LA County has not had any prior agreement with ICE to provide detention services for housing immigration detainees. Moreover, given existing policies related to undocumented incarcerated individuals, it is unlikely that ICE would enter into such an agreement with the County. Finally, based on studies done by the State Auditor-Controller, the effect of any such agreement would require additional staffing costs consistent with any additional revenue.

Task No. 3: Identify opportunities to improve and enhance LASD's tracking of civil immigration detainer staffing and resources.

Our review of the current LASD methods for tracking civil immigration detainer staffing and costs did not reveal any significant flaws. As set forth above, LASD currently only has two part-time custody assistants that handle and file ICE detainer requests and to notify the person in custody (and their attorney) of the detainer. Unless and until additional staffing and duties are assigned to this function, our review indicates that current tracking of detainer staffing and resources are adequate.

5. SPECIAL AND TRUST FUNDS

Introduction/Summary of Conclusions

As of June 30, 2019, LASD had a total of fifteen (15) special funds and sixteen (16) trust funds with a year-end balance of approximately \$165.3 million and \$68.6 million, respectively. For FY 2018-2019, eleven (11) of the 15 special funds and eight (8) of the 16 trust funds had a year-end balance of over \$200,000.

We reviewed in detail those Special and Trust Funds with a fund balance over \$200,000 as of June 30, 2019. Based on our review of the Special Funds for the last five fiscal years (2014-15 to 2018-19) we found that the expenditures were fully absorbed by its revenues and any excess of expenditures over revenues for a particular year were fully covered by the accumulated fund balances of each fund. We noted no subsidies from the General Fund to any of the Special Funds. For the Trust Funds, all funds are held in trust by LASD and can be used only for a specified purpose for which the Trust Funds were established. Thus, there were no LASD related reimbursable expenditures transactions related to these Trust Funds.

Of the 11 Special Funds, there were seven funds that have a full Salaries and Employees Benefits (S&EB) reimbursement arrangement/agreement within the Department. We verified S&EB reimbursable amounts to the reimbursement journal vouchers evidencing the amount transferred from the respective Special Funds to the LASD's general fund. Thus, our review of the S&EB reimbursements found that LASD is fully reimbursing all allowable S&EB expenditures to the General Fund.

Furthermore, our review disclosed that LASD's Special and Trust Funds were properly utilized as intended and the related revenues and expenditures transactions were properly classified and recorded in the County's books of accounts (eCAPS).

Special and Trust Funds Background

Special Revenue Funds are designated for specific functions and activities related to the source of each respective fund. Special Revenue Funds were not established to supplant General Fund expenditure obligations. To the extent that General Fund allocations are expended on Special Revenue Fund operations, the General Fund will be replenished via Special Revenue Fund transfer. Trust Funds are used to report assets held in a trustee capacity for others and cannot be used to support the County's programs, they have no related equity accounts since all assets are due to individuals or entities at some future time. A description and purpose for each of 11 Special Funds and eight Trust Funds with a balance over \$200,000 as of the fiscal year ended June 30, 2019 are presented in the table below:

Special Funds				
	Fund Number	Fund Description	Purpose	Balance as of June 30, 2019
1	BR3	Processing Fee Fund	Established per Section 26746 of the California Government Code for the assessment of a processing fee of \$12 on the distribution of monies collected under writs of attachment, execution, possession, or sale. All proceeds shall be expended to offset the Sheriff's cost for replacement and maintenance of vehicles and equipment, and civil process operations. Salaries and Employees' Benefits (S&EB) paid by the Department's General Fund are reimbursed by the fund.	\$4,108,916
2	BR7	Automation Fund	Established per Section 26731 of the Government Code, for \$18 of any fee collected for serving, executing, and processing required court notices, writs, orders, and other services performed by Sheriff personnel. 95% of the moneys in the special fund shall be expended by the Sheriff's Court Services Division to supplement the costs of automated systems and 5% of the moneys in the special fund shall be used to supplement the expenses in administering the funds. In FY 2018- 19, S&EB paid by the general fund are reimbursed by the fund. Prior to FY 2018-19, S&EB was expensed to the Processing Fee Fund (BR3) specifically for the IT personnel assigned to a project named ACES. Starting from FY 2018-19, these salary costs have been expensed to the Automation Fund (BR7) due to the cancellation of a contract associated with the ACES project.	\$31,209,182
3	BR8	Special Training Fund	Established by Board order in 1996 to fund law enforcement training programs. Revenue is received from law enforcement training provided to other jurisdictions. S&EB paid by the general fund are reimbursed.	\$7,899,551

Special Funds				
	Fund Number	Fund Description	Purpose	Balance as of June 30, 2019
4	BS1	Vehicle Theft Program Fund	Established in accordance with Section 9250.14 of the California State Vehicle Code, which provided for a fee of \$1.00 to be paid at the time of registration or renewal of registration of every vehicle registered to an address within the County of Los Angeles. On May 5, 2015, the Board adopted a resolution to increase the vehicle registration fees paid at the time of registration or renewal registered to an address within the County from \$1.00 to \$2.00, and from \$2.00 to \$4.00 on commercial vehicles. Fees collected under this code section must be expended to fund programs to deter, investigate, and prosecute vehicle theft crimes. The moneys collected pursuant to Section 9250.14 shall not be expended to offset a reduction in any other source of funds, nor for any purpose not authorized under this section. S&EB paid by the general fund are reimbursed.	\$19,847,164
5	DN2	Narcotics Enforcement Special Fund	Established in 1984 in accordance with Section 11489 of the Health and Safety Code. It provides for the distribution of assets forfeited in connection with violation of laws governing controlled substances. Its use is restricted to activities related to enforcement of these laws. S&EB are not allowable with some exceptions as set forth in the Department of Justice guidelines regarding use of these funds.	\$15,030,960
6	DN5	Countywide Warrant System Fund	Established per Section 40508.5 of the Vehicle Code imposes an assessment fee of \$15 for every person who violates the written promise to appear in court. The assessment fee is returned to the person, only if the person did not violate his or her promise to appear or citation following a lawfully granted continuance. Proceeds are utilized exclusively to finance the development and operation of	\$293,661

Special Funds				
	Fund Number	Fund Description	Purpose	Balance as of June 30, 2019
			the Automated Countywide Warrant System. S&EB paid by the general fund are reimbursed.	
7	DN6	Automated Fingerprint Identification System Fund	Established in 1988 in accordance with Section 76102 of the Government Code, provides for the operation and maintenance of the Automated Fingerprint Identification System (AFIS). Funding is provided from an assessment of .50 cents on every \$10 or fraction thereof for fines, penalties, or forfeitures levied and collected by the courts for criminal offenses. On September 30, 1997, the legislature added Section 9250.19 to the California Vehicle Code which was subsequently approved by the Board of Supervisors on January 9, 1998 to impose an additional fee of \$1 or \$2 for commercial vehicles (Commercial Vehicle Registration Act of 2001) to be paid to the Department of Motor Vehicles and passed through to the County at the time of vehicle registration or renewal, which enables the County to procure automated fingerprinting and photographic equipment and technology. Money shall be expended exclusively to fund programs that enhance the capacity of local law enforcement to provide automated mobile and fixed location fingerprint identification of individuals. Money collected pursuant to Section 76102 shall not be used to offset a reduction in any other source of funds for the purposes authorized under this section. S&EB paid by the general fund are reimbursed.	\$78,312,451
8	K02	Inmate Welfare Fund	Pursuant to Section 4025 and Section 1481 of the California Penal Code, this fund provides for the benefit, education, and welfare of individuals confined within County Jails. Any funds that are not needed for the welfare of the	\$15,272,339

Special Funds				
	Fund Number	Fund Description	Purpose	Balance as of June 30, 2019
			<p>incarcerated individuals may be expended for the maintenance of County jail facilities. The Inmate Welfare Fund receives revenue from several sources, including all the sales of incarcerated individual's hobby craft, vending machine, telephone commissions, and interest on deposited funds. These welfare funds cannot be used to pay required County expenses of confining incarcerated individuals, such as meals, clothing housing, or medical services, except that these welfare funds may be used to augment those required county expenses as determined by the sheriff to be in the best interests of incarcerated individuals. Itemized report of these expenditures shall be submitted annually to the Board of Supervisors.</p> <p>Inmate welfare funds can cover S&EB of personnel used in the programs to benefit the incarcerated individuals, including education, drug and alcohol treatment, welfare, library, accounting, and other programs deemed appropriate by the sheriff. All expenditures are fully offset by these revenue sources. S&EB paid by the general fund are reimbursed.</p>	
9	S13	Seized Money/Assets Interest Account	Interest-bearing account created to hold money seized in asset forfeiture cases (criminal/ fraud/ embezzlement) where the rightful owner is to be determined by the court. S&EB is not allowable for this account, not reimbursable.	\$1,686,026

Special Funds				
	Fund Number	Fund Description	Purpose	Balance as of June 30, 2019
10	S21	Safety and Justice Challenge Program	Established in FY 2015-2016 per grant agreement with the John D. and Catherine T. MacArthur Foundation, the fund grantor, which requires that advanced funds be placed in an interest-bearing account, and interest returned to the grantor. Reimbursement of S&EB expenses are not allowable.	\$216,005
11	SJ6	Sheriff/Los Angeles Metropolitan Transportation Authority (LACMTA) Liability Trust Fund	Account holds liability insurance surcharges to fund indemnity payments for claims made against the Sheriff's Department arising from the performance of law enforcement services provided under contract with the Los Angeles County Metropolitan Transportation Authority. As such, there are no LASD S&EB costs related to this account.	\$4,693,101

Trust Funds				
	Fund Number	Fund Description	Purpose	Balance as of June 30, 2019
1	SQ6-7247	Modified Automated Process & Accounting System Trust Account (MAPAS Trust Account)	Created on May 13, 2010 to hold fees collected from the public and other government agencies for the service of civil process and collections obtained as a result of wages, bank, personal and real property levies and sales. No revenue is generated and no expenses were incurred from this trust account in the last five fiscal years 2014-15 to 2018-19.	\$7,335,121

Trust Funds				
	Fund Number	Fund Description	Purpose	Balance as of June 30, 2019
2	TK7-7240	Sheriff Modified Automated Process & Accounting System Trust Account (MAPAS Trust Account)	This was the original trust account established for MAPAS. The purpose of this account is the same as the one above. However, in 2011 the TK7-7240 MAPAS Trust Fund account was closed to all activity with a balance of \$23.5 million. A new account, the line item above, SQ6-7247, was established to replace this one. The Department has been working with the Auditor-Controller over the past couple of years to reconcile TK7-7240 and close and move forward with only one MAPAS trust, SQ6-7247. Anticipated project completion is April 2021. No revenue is generated and no expenses were incurred from this trust account in the last five fiscal years 2014-15 to 2018-19.	\$23,507,009
3	TK7-7358	Sheriff – Inmate Trust Account	Holds monies deposited by or for incarcerated individuals (prisoner spending accounts). Temporarily holds money for incarcerated individuals for fiduciary purposes only. No revenue is generated and no expenses were incurred from this trust account in the last five fiscal years 2014-15 to 2018-19.	\$3,997,098

4	TK7-7364	Sheriff – Miscellaneous Trust Account	Holds miscellaneous funds such as monies purged from incarcerated individual's trust account after prisoners have left County custody facilities, property no longer needed to be held intact as evidence, personal property of incarcerated individuals booked at stations, found money, donations, etc. Potential liability exists. Holds unclaimed funds pending transfer to TTC (found/seized property), and money for incarcerated individuals for fiduciary purposes only. Money may need to be distributed to claimants. No revenue is generated and no expenses were incurred from this trust account in the last five fiscal years 2014-15 to 2018-19.	\$8,272,691
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Trust Funds				
	Fund Number	Fund Description	Purpose	Balance as of June 30, 2019
5	TK7-7370	Sheriff Collections – Manual Lockbox Collections	Holds manual lockbox collections from contract cities, private entities and school districts for payment of services provided by the Sheriff's Department. Potential liability exists. Most of the funds are for services that have already been completed; however, some funds are pre-payment (deposits) from some school districts and private entities, for services that have not been completed. No revenue is generated and no expenses were incurred from this trust account in the last five fiscal years 2014-15 to 2018-19.	\$215,643
6	TK7-7375	Smith House Project- California Community Foundation – Smith House Donation Trust Account	Grant funds received in advance from specific grantor. Funds held pending completion of project. Potential liability exists. Holds donated/grant funds that may need to be returned to the grantor if the Sheriff does not expend the funds or complete the project. Project deadline extended. Based on our analysis of other potential revenues section, in FY 2019-20, project completed and funds not expended returned to grantor. No revenue is	\$3,500,000

			generated and no expenses were incurred from this trust account in the last five fiscal years 2014-15 to 2018-19.	
7	TK7-7437	Parking Citation Collections	Holds parking citation fee collections. No liability exists to the LASD. Funds are held pending distribution to various County departments (Internal Services Department, Beaches & Harbors). Other County departments are not considered "third parties." No revenue is generated and no expenses were incurred from this trust account in the last five fiscal years 2014-15 to 2018-19. This trust account is subject to audit by the State.	\$288,821

Trust Funds				
	Fund Number	Fund Description	Purpose	Balance as of June 30, 2019
8	TK7-7532	Private Entity Law Enforcement Trust Account	Holds the 3% liability insurance collected for Sheriff's services rendered to private entities. Self-insurance fund to settle claims arising from the performance of law enforcement services. Account established in July 2008; prior to that, contract city, public entity, and private entity insurance had been placed together in Sheriff Miscellaneous Trust Account (TK7-7364) for many years. Potential liability exists. Self-insurance fund to settle claims arising from the performance of law enforcement services provided under contract to school districts and private entities. No revenue is generated and no expenses were incurred from this trust account in the last five fiscal years 2014-15 to 2018-19.	\$21,223,766

Review Results

Set forth below are the results of the specific tasks as outlined in the work order:

Task No. 1: We performed a historical analysis of LASD's annual revenues and expenditures for the five fiscal years (2014-15 to 2018-19) for each of the 11 Special Funds and eight Trust Funds with a fund balance over \$200,000 as of June 30, 2019.

Special Funds

We analyzed the revenues and expenditures of the eleven (11) Special Funds for the last five fiscal years and noted that three of the Special Funds: Processing Fee Fund, Narcotics Enforcement Fund and Inmate Welfare Fund have total combined expenditures more than its total combined revenues. Additionally, these three Special Funds have continually had expenditures exceed revenues almost every year in the last five fiscal years reviewed. Although these three Special Funds had excess expenditures, the expenditures were fully covered by each Fund's respective accumulated fund balances as noted below.

The summary of our analysis of the Special Funds for the last five fiscal years is presented below:

Fund Code and Special Revenue Funds	Total FYs 2014-15 to 2018-19			Fund Balance As of June 30, 2019
	Revenues	Expenditures	Net Revenues (Expenditures)	
1 BR3 - Processing Fee Fund	\$ 21,454,155	\$ 32,112,529	\$ (10,658,375)	\$ 4,108,916
2 BR7 - Automation Fund	20,751,361	12,706,152	8,045,210	31,209,182
3 BR8 - Special Training Fund	10,456,482	7,214,182	3,242,300	7,899,551
4 BS1 - Vehicle Theft Prevention Program Fund	67,550,686	52,208,846	15,341,840	19,847,164
5 DN2 - Narcotics Enforcement Fund	28,548,791	31,453,720	(2,904,929)	15,030,960
6 DN5 - Countywide Warrant System Fund	9,635,747	9,611,272	24,475	293,661
7 DN6 - Automated Fingerprint Identification System Fund	53,383,304	47,305,551	6,077,753	78,312,451
8 K02 - Inmate Welfare Fund	178,304,238	202,444,875	(24,140,637)	15,272,339
9 S13 - Seized Assets Interest-Bearing Account Fund	-	-	-	1,686,026
10 S21 - Safety and Justice Challenge Program Fund	661,297	445,292	216,005	216,005
11 SJ6 - Metropolitan Transportation Authority Police Liability Trust Fund	803,049	-	803,049	4,693,101

Moreover, the remaining seven Special Funds, except for Seized Assets Interest-Bearing Account Fund, have excess total combined revenues over its total combined expenditures for the last five fiscal years. The Seized Asset Interest-Bearing Account Fund does not have any

revenues and expenditures. This fund is an interest bearing account and interest is earned, but the money is held and distributed to its owners when the dispute is resolved. Likewise, the Sheriff/LACMTA Police Liability Trust Fund did not have any expenditures in the last five fiscal years. This fund holds liability insurance surcharges to fund indemnity payments for claims made against the Sheriff's Department, and there are no related LASD S&EB costs to this fund.

Trust Funds

Our review of the Trust Funds disclosed that these funds are held in trust by the LASD for the specific purpose that the funds were established. There were no LASD related revenues or expenditures of these funds for the last five fiscal years reviewed. The fund balances as of June 30, 2019 of these Trust Funds are summarized below.

Account - Sub-Account - Trust Fund	Fund Balance June 30, 2019
1 SQ6 - 7247 - Modified Automated Process and Accounting System (MAPAS) Trust Accou	\$ 7,335,121
2 TK7 - 7240 - Modified Automated Process and Accounting System (MAPAS) Trust Accou	23,507,009
3 TK7 - 7358 - Inmate Trust Account	3,997,098
4 TK7 - 7364 - Department Miscellaneous Trust Account	8,272,691
5 TK7 - 7370 - Manual Lockbox Collections	215,643
6 TK7 - 7375 - Smith House Donation Trust Account	3,500,000
7 TK7 - 7347 - Parking Citation Collections	288,821
8 TK7 - 7532 - Private Entity Liability Trust Account	21,223,766

Task No. 2: We reviewed the Special and Trust Fund accounts for each of the 11 Special Funds and eight Trust Funds with a FY 2018-19 year-end balance over \$200,000 and determined whether the Department is fully reimbursing all allowable General Fund expenditures.

The salaries and employee benefits (S&EB) of LASD employees assigned or working for a particular fund were initially paid by the LASD's General Fund. The General Fund is then reimbursed by the respective fund through the established reimbursement process of the Department. Of the 11 Special Funds reviewed, there are seven Special Funds (Processing Fund, Automation Fund, Special Training Fund, Vehicle Theft Program Fund, County-wide Warrant System Fund, Automated Fingerprint Identification System Fund, and Inmate Welfare Fund) that have full S&EB reimbursement arrangements/agreements within the Department. The S&EBs of the other four (4) Special Funds (Narcotics Enforcement Special Fund, Seized Money/Assets Interest Account, Safety and Justice Challenge Program, and Sheriff/Metropolitan Transportation Authority (MTA) Liability Trust Fund) are not reim-

bursable as explained in the fund background section of this report pages 1 to 5. We reviewed S&EBs reimbursements of the identified funds and noted that LASD is fully reimbursing all allowable S&EB General Fund expenditures.

Our review of the eight Trust Funds disclosed that there were no LASD related expenditures incurred out of these funds for the last five fiscal years. Thus, no S&EB reimbursements were claimed for the five fiscal years reviewed.

Task No. 3: We identified any opportunities to improve the classification and utilization of the Department's Special and Trust Funds.

Based on our review, we identified no opportunities to improve the classification and utilization of the Department's Special and Trust funds. The funds were properly utilized as intended and the corresponding transactions were properly classified and recorded. Moreover, each Special and Trust Fund is for a specific purpose thereby limiting the opportunities to reclassify or reutilize the funds.

6. GRANTS

Introduction/Summary of Conclusions

During the last five fiscal years 2014-15 to 2018-19, LASD had 237 total grants totaling \$378 million from various sources (i.e., federal, State, and local). Our review found that LASD had fourteen (14) grants with unused funds totaling \$3,769,873 for the last five fiscal years, which represents less than 1% of total grant funds awarded. LASD management explained that these unused grant funds were due to the following reasons: 1) not able to spend the grant funds within the grant period, 2) not able to complete the projects/program within the grant period due to staffing shortages, and 3) insufficient grant documentation requirements (i.e., sole source documentation was dated after purchase order date). We also found eight (8) grants that were subsequently cancelled totaling \$3,527,894. These canceled grants were due to subsequently denied, rejected, or not accepted by LASD or canceled by the grantors. **The details of the grants with unused funds and canceled grants are discussed in the Review Results section and detailed in Exhibits I and II of this report.**

In conjunction with our grants review, we also noted that LASD's grant log can be enhanced to list all grants applied for, the date the grant was applied for, and the award or denial date. This would assist in determining LASD's success rate of its grant application process. For FY 2019- 20, LASD's Grants Unit represented that they had a 95% success rate. However, we were unable to verify this representation because the current grants log tracks only those grants applied for and awarded for a particular fiscal year. We also noted that most of the grants listed for the last five fiscal years reviewed were continuing grants carried over to the next fiscal year or renewed after the expiration of the grant period.

In view of the foregoing observations, we recommend that LASD implement the following actions to improve its grant application, utilization and monitoring process:

1. Design plans and procedures to ensure that grant funds are fully utilized within the grant period. The procedures may include a possible grant extension request to the grantor when the grant period is about to expire, especially for those grants with material unused amounts;
2. Adopt a strict documentation and approval process to comply with the grantor's documentation requirements to prevent any instances of denied, rejected, or canceled grants; and
3. Make enhancements to its grant log to include all grants applied for, the date grant was applied for, and the award or denial date. If denied, include the reasons for denial. Maintaining this grant data will improve grants monitoring and grant performance reporting results. In addition, we recommend that LASD maintain a log/record for the revenue offset programs for each grant, if applicable, to monitor and ensure that grant expenditures are aligned with budgeted and available grant revenue amounts and are fully reimbursable.

LASD Grants Background

LASD receives various State and federal grants that are intended to be used for specific purposes/programs, such as the Traffic Safety Program, Human Trafficking Task Force, etc. The Department's grants monitoring and recording is done by its Grants Unit Section. The LASD Grants Unit is primarily responsible for applying for new grant funding, monitoring use of current grant funds, and reporting. The Grants Unit coordinates with the various operational units within LASD when searching for and applying for new grants to ensure the grants fit the LASD's needs.

Review Results

Set forth below are the results of the specific tasks as outlined in the work order:

Task No.1: Perform a historical analysis of LASD's grants, including the grants applied for, award amounts, expenditures (listing of grants) etc. for the last five (5) fiscal years from 2014-2015 to 2018-2019.

We reviewed the listing of grants for the last five fiscal years from 2014-15 to 2018-19 and made inquiries for grants with unused or unclaimed amounts over \$100,000 for each fiscal year. We also reviewed grants application that were approved and subsequently denied, rejected or canceled for various reasons. During the last five fiscal years, LASD had 237 total grants totaling \$378 million from various sources (i.e., federal, State, and local) as follows:

Fiscal Year	Total Number of Grants			Award Amount (All Grants)
	New	Carried-Over- Recurring	Total	
2018-2019	25	30	55	81,607,663
2017-2018	20	25	45	78,298,295
2016-2017	16	24	40	50,152,804
2015-2016	18	30	48	93,568,021
2014-2015	19	30	49	74,379,069
Totals	98	139	237	\$ 378,005,852

The results of our review found fourteen (14) grants with unused grant monies totaling \$3,769,873 and eight (8) canceled grants totaling \$3,527,894 for the five fiscal years, as summarized below:

Fiscal Year	No. of Unused Grants	Award Amount (for those with Unused Amount)	Unused Amount	% of Unused	No. of Canceled Grants	Canceled Grants
2018-2019	3	\$ 2,563,590	\$ 1,123,167	44%	4	\$ 1,468,684
2017-2018	4	3,790,385	1,378,284	36%	2	659,610
2016-2017	1	1,000,000	152,378	15%	2	1,399,600
2015-2016	4	14,632,055	822,202	6%	-	-
2014-2015	2	2,030,250	293,842	14%	-	-
Totals	14	\$ 24,016,280	\$ 3,769,873	16%	8	\$ 3,527,894

The total grant award amounts for the 14 grants with unused funds total \$24,016,280 and the total unused amount of these grants total \$3,769,873 or 16% of the total 14 grants. The reasons provided by LASD for the unused grant amount are summarized below.

Explanations by LASD	Unclaimed balance	% of total
Unable to spend grant funds within the allotted grant period	\$2,501,451	66%
Unable to complete the grant within the grant period due to staffing shortages	\$1,004,836	27%
Due to non-compliance of documentation requirement	\$263,586	7%
Totals	\$3,769,873	100%

For the canceled grants, LASD explained that these are grant applications that were subsequently denied, rejected, or not accepted by LASD, or canceled by the grantors.

The details of the foregoing amounts/grants, explanation provided LASD are presented in Exhibit-I (Unused Grants Amount) and Exhibit-II (Canceled Grants) of this report.

We also reviewed LASD's approval/success rate of its grant applications for each fiscal year. However, we could not accurately determine LASD's success rate because LASD does not have a readily available log that tracks all the grants applied for and approved for each fiscal year. Furthermore, we noted that most of the grants applied for are continuing grants (existing grants and applied for another grant period).

Task No. 2: Evaluate whether LASD appropriately analyzes available grants and takes the necessary steps to apply for eligible and relevant grants timely.

LASD's Grants Unit seeks out grant funds based on departmental needs and LASD's priorities. LASD's operational units either email or call the Grants Unit with their requests. The Grants Unit also uses both eCivis (a privately-owned search website/software for available government grants) and Grants.gov (a US government-owned website to search for available government grants) to search for new grant funding. Any potential grants applicable to the Department are sent out to the operational units for their consideration. The Grants Unit regularly searches those websites for potential grant opportunities appropriate to the Department and the County's Strategic Goal Plans.

Upon finding such grants, they send out a Grant Availability Notice (GAN) to all Division Heads and they disseminate to their respective units. LASD's Grant Unit represented in our inquiries that they had a 95% approval rate for FY 2019-20. However, we could not readily verify this success rate because LASD's current grants log did not include all grants applied for that were awarded or denied. Based on inquiries, discussions and review of LASD's grant application and monitoring process, we determined LASD had the available tools and resources to appropriately analyze available grants. We could not, however verify that LASD had taken the necessary steps to apply for eligible grants on a timely basis in the absence of grants application data that lists all grants applied for and awarded or denied for each fiscal year.

Task No. 3: Review grants with material unused balances at the end of each fiscal year, identify instances where the Department does not appear to have fully claimed reimbursement for eligible expenditures.

Based on our review of LASD's grants application and monitoring process, the receiving units (recipient of the grant) track their expenditures and use the Department's procurement

system to maximize the use of the grant funds. Units are also required to update the monthly grant revenue report which is sent out by the Grants Unit. This report captures expenditure history and available grant balances. The Grants Unit provides quarterly and semi-annual reports to the funding agency and the Department has a quarterly control report. County funded and Grantor funded are accounted for by activity codes and object codes in eCAPS.

In FY 2019-20, LASD had coordinated with the Auditor-Controller's Office for the implementation of the grants function in the County's Electronic Countywide Accounting and Purchasing System (eCAPS) to improve its grant monitoring. The foregoing systems ensure that all eligible expenditures are claimed for reimbursement by the Department. In our review of the material unused balances (total of \$3,769,873 as presented in Task 1 results), we found no instances where the Department did not fully claim for reimbursement of all eligible expenditures. The unused grant balances were not attributable to unclaimed allowable expenditures.

Task No. 4: Evaluate whether LASD appropriately tracks and monitors available grant fund balances to ensure that usage is maximized to the extent possible. Identify instances where the grant was claimed, but services were not fully provided.

As previously discussed in Task 3 results, LASD has a system in place to monitor available grant fund balances. Based on our review, we did not identify any instances where that grant was claimed, but the services were not provided. Most of the LASD grants were on a reimbursement basis, which requires LASD to incur the expenditures/or provide the services first before a claim can be submitted for reimbursement

7. OTHER POTENTIAL REVENUE SOURCES

Introduction/Summary of Conclusions

This section of our report discusses the results of our review and analysis of the LASD's other current revenue streams and identification of any potential funding that could increase the Department's annual revenues.

Other Potential Revenue Sources Background

The LASD derives its revenues from various sources, with a majority of revenues from federal and State grants, County funding and other local sources. Aside from these revenue sources, other revenue sources/streams were identified by reviewing the Department's other revenue sources.

Review Results

Set forth below are the results of the specific task as outlined in the work order:

Task No. 1: Review and analyze the LASD's other current revenue streams and identify potential funding that may increase the Department's annual revenues.

To accomplish the foregoing task, we conducted an analysis and comparison of the budget and actual revenue amounts for the FY 2019-20. We identified the total regular number of revenue sources/streams with annual budgets, and revenues received during the fiscal year which were not included in the budget (these are revenue streams not identified during the budgeting process, but revenue transactions occurred during the year).

The summary of our analysis and budget to actual comparison is presented below:

No. of Revenue Sources/Streams	Budget Information	Final Budget	Actuals	Over (Under) Budget	Over (Under) Budget %
78	Revenue sources/streams with annual budget	\$ 1,743,146,000	\$ 1,692,173,105	\$ (50,972,895)	-3%
16	Revenue sources/streams not included in the budget	-	34,399,968	34,399,968	100%
-	Prior-year accrued revenues collected in FY 19-20	-	(2,169,457)	(2,169,457)	
94		<u>\$ 1,743,146,000</u>	<u>\$ 1,724,403,616</u>	<u>\$ (18,742,384)</u>	<u>-1%</u>

As noted in the above analysis, the LASD had a shortfall of \$50.97 million or 3% under budget of its regular revenues (78 sources/streams) during the FY 2019-20. The Department's top five (5) revenue sources for the fiscal year are derived from the following:

Revenue Sources	Actual Revenue (In Millions)	Over (Under) Budget (In Millions)
1) Proposition 172	\$646.37	\$1.98
2) Contract Cities Services	\$335.48	(\$6.34)
3) AB109	\$233.11	(\$3.79)
4) Trial Court Security	\$153.20	(\$6.87)
5) MTA Contract Services	\$59.23	\$6.65

In addition to the above revenue sources, we also noted that LASD received \$34.4 million in unbudgeted revenues derived from 16 sources during the FY 2019-20. The largest contributor of these revenues was from a federal COVID-19 grant totaling \$26 million. Overall, the Department's actual revenues for the FY 2019-20 totaled \$1.72 billion, which was \$18.74 million or 1% under budget (net of surplus/over budget of some revenue sources/streams). ***The details of the above analysis and budget to actual comparison are presented in Exhibit – III.***

In addition to the foregoing procedures/analysis, we inquired and attempted to analyze and review actual revenues and expenditures of each of the revenue sources to determine what revenue source or program resulted in a NCC. Based on our inquiry and analysis, we have determined that most of the recorded/invoiced revenues equaled expenditures claimed for each revenue source/program since LASD follows the reimbursement system in recognizing revenues (expenditures incurred were invoiced or claimed for reimbursements). We were informed that the County's eCAPS is unable to generate an actual expenditures report for general fund revenue sources/programs. Thus, due to this limitation, we were unable to analyze and compare certain revenue source/program actual revenues versus actual expenditures that may have resulted in a NCC.

LOS ANGELES SHERIFF'S DEPARTMENT
SCHEDULE OF GRANTS WITH UNUSED AMOUNTS
FOR THE FIVE FISCAL YEARS FROM 2014-2015 TO 2018-2019

Fiscal Year	Grant Name	Date Applied	Date Awarded	Grant Number	State / Federal or Both	Name of Grantor	Award Amount	Total expenditures for each fiscal year	Unused and Unclaimed grant balances	Status of the Grant	LASD's Explanation
1 18-19	2011 - Second Chance Act Adult Offender Reentry Program for Planning & Demonstration Projects: Implementation	6/30/2011	9/15/2011	2011-CZ-BX-0034	Federal	BJA	\$ 718,205	16/17 - \$21,320.24 17/18 - \$16,659.84 18/19 - \$37,980.08	\$ 642,245	Closed 12/17/18	The unit was unable to use the funds in the allotted time of grant.
2 18-19	OTS - Selective Traffic Enforcement Program (STEP Traffic Grant) - FY 2017-18	1/24/2017	8/24/2017	PT18090	State	OTS	\$ 1,107,231	17/18 - \$456,032.00 18/19 - \$271,795.00	\$ 379,404	Closed 10/26/18	The unit was unable to use all the funds in the allotted time. The number for this and the below are the same but two different programs.
3 18-19	OTS - Selective Traffic Enforcement Program (STEP Traffic Grant) - FY 2017-18	1/24/2017	8/24/2017	PT18090	State	OTS	\$ 738,154	17/18 - \$426,343.00 18/19 - \$210,293.00	\$ 101,518	Closed 10/26/18	The unit was unable to use all the funds in the allotted time. The number for this and the above are the same but two different programs.
Totals for FY 2018-2019							\$ 2,563,590		\$ 1,123,167		
1 17-18	Selective Traffic Enforcement Program(STEP) FY 17/18 - (Minimum Penalties for Repeat Offenders for Driving While Intoxicated - 164AL)	1/24/2017	8/24/2017	PT18090	State	OTS	\$ 1,107,231	17/18 - \$456,032.00	\$ 651,199	Closed - 10/25/17	The annual grant number is not the same, but continues with the entire program. This is a 17/18 grant which continues into FY 18/19.
2 17-18	Selective Traffic Enforcement Program(STEP) FY 17/18 - (State and Community Highway Safety 402PT)	1/24/2017	8/24/2017	PT18090	State	OTS	\$ 738,154	17/18 - \$426,343.00	\$ 311,811	Closed - 10/25/17	The annual grant number is not the same, but continues with the entire program. This is a 17/18 grant which continues into FY 18/19.
3 17-18	Selective Traffic Enforcement Program(STEP) FY 16/17 - (Minimum Penalties for Repeat Offenders for Driving While Intoxicated - 164AL)	1/25/2016	6/2/2016	PT1766	State	OTS	\$ 1,135,000	16/17 - \$512,168.00 17/18 - \$336,003.00	\$ 286,829	Closed - 10/25/17	They are the same grant number for 16/17 year program, but they are two different programs, with two different amounts per program. The Unit was not able to spend in allotted time. The BOS did not approve until six weeks after the program should have started which gave them a late start.
4 17-18	Selective Traffic Enforcement Program(STEP) FY 16/17 - (State and Community Highway Safety 402PT)	1/25/2016	6/2/2016	PT1766	State	OTS	\$ 810,000	16/17 - \$435,310.00 17/18 - \$246,245.00	\$ 128,445	Closed - 10/25/17	They are the same grant number for 16/17 year program, but they are two different programs, with two different amounts per program. The Unit was not able to spend in allotted time. The BOS did not approve until six weeks after the program should have started which gave them a late start.
Totals for FY 2017-2018							\$ 3,790,385		\$ 1,378,284		

LOS ANGELES SHERIFF'S DEPARTMENT
SCHEDULE OF GRANTS WITH UNUSED AMOUNTS
FOR THE FIVE FISCAL YEARS FROM 2014-2015 TO 2018-2019

Fiscal Year	Grant Name	Date Applied	Date Awarded	Grant Number	State / Federal or Both	Name of Grantor	Award Amount	Total expenditures for each fiscal year	Unused and Unclaimed grant balances	Status of the Grant	LASD's Explanation
1 16-17	Selective Traffic Enforcement Program FY 15-16 / Repeat Offenders for Driving While Intoxicated.	1/22/2015	7/16/2015	PT1672	State	OTS	\$ 1,000,000	15/16 - \$532,601.00 16/17 - \$315,021.00	\$ 152,378	Closed 1st Qtr., FY 2016-17	The Unit was unable to complete all scheduled DUI checkpoints due to staffing shortages and local wild fires which created a demand on deputies being assigned to patrol areas.
Totals for FY 2016-2017							\$ 1,000,000		\$ 152,378		
1 15-16	2013 - Homeland Security Grant Program - RTAC/JRIC 13	6/1/2013	10/28/2013	2013-00110	State		\$ 2,750,000	14/15 - \$2,478,328.00 15/16 - \$8,086.00	\$ 263,586	Closed 7/31/16	The Sole source letter prior approval letter dated after the invoice date. It should have been dated before the invoice date. The JRIC actually expended the funds but the department didn't seek reimbursement due a sole source issue.
2 15-16	FY 2011 COPS Hiring Program	5/25/2011	9/28/2011	2011-UL-WX-0003	Federal	COPS	\$ 8,535,100	13/14 - \$4,781,982.00 14/15 - \$3,133,810.00 15/16 - \$383,486.00	\$ 235,822	Closed FY 15/16	The Unit was unable to complete the grant program due to hiring delays and staffing shortages.
3 15-16	14/15 Selective Traffic Enforcement Program	2/5/2014	9/30/2014	PT 1545	State	OTS	\$ 1,587,705	14/15 - \$965,383.00 15/16 - \$443,259.00	\$ 179,063	Closed 11/30/15	The Unit was unable to complete all scheduled DUI checkpoints due to staffing shortages. Fewer operations were scheduled with fewer deputies, and the City of Santa Clarita decided to not conduct DUI checkpoints.
4 15-16	2014 Homeland Security Grant Program (HSGP)	8/1/2014	9/24/2014	2014-00093	State	Cal OES	\$ 1,759,250	15/16 - \$1,615,519.99	\$ 143,731	Closed 11/24/00	The program unit was unable to complete the program within the allotted time due to staffing shortages.
Totals for FY 2015-2016							\$ 14,632,055		\$ 822,202		
1 14-15	13/14 Sobriety Checkpoint Grant Program (Safe-Tree)	1/2/2013	5/24/2013	SC14501	State		\$ 1,419,250	13/14 - \$900,411.00 14/15 - \$343,238.00	\$ 175,601	Closed 1st Quarter FY 2014/15	Unable to complete due to staffing shortages.
2 14-15	FY 13-14 Selective Traffic Enforcement Program (Offenders for Driving While Intoxicated-164AL)	3/30/2013	10/15/2013	PT14118	State	OTS	\$ 611,000	13/14 - \$284,726.00 14/15 - \$208,033.00	\$ 118,241	Closed 1st Quarter FY 2014/15	Due to staffing shortages the Units were unable to complete all the DRE training required and complete the contract in a timely manner.
Totals for FY 2014-2015							\$ 2,030,250		\$ 293,842		
Grand Total for Five Years (2014-2015 through 2018-2019)							\$ 24,016,280		\$ 3,769,873		

LOS ANGELES SHERIFF'S DEPARTMENT
SCHEDULE OF CANCELLED GRANTS
FOR THE FIVE FISCAL YEARS FROM 2014-2015 TO 2018-2019

	Fiscal Year	Grant Name	Date Applied	Date Awarded	Grant Number	State / Federal or Both	Name of Grantor	Award Amount	Unused grant balances	Status of the Grants	LASD's Explanation
1	18-19	FY2018 Comprehensive Opioid Abuse Site-Based Program	6/18/2018	9/28/2018	2018-AR-BX-K224	Federal	BJA	\$ 870,000	\$ 870,000	Denied 10/3/19 - Administratively closed by agency 12/30/19	The unit was unable to proceed because the contracted positi on intended beyond the scope of the grant program.
2	18-19	Grant Assistance Program (GAP)	3/28/2018	N/A	17G-LA22	State	ABC	\$ 100,000	\$ 100,000	Not Awarded	The proposal for the grant was rejected due to the lack of minor staff statistics and operations.
3	18-19	FY 2018/2019 Law Enforcement Equipment Program Grant	5/1/2018	7/30/2018	C18L0611	State	CA Parks & Rec.	\$ 78,684	\$ 78,684	Cancelled 4/3/2019 Unable to execute contract in a timely manner	Due to the County's lengthy approval process we were unable to complete the program in a timely manner and were unable to get an extension.
4	18-19	OTS - General Grant - Regional Drug Impaired Driving Forensic Toxicology Program	6/14/2019	N/A	DII 8034 - Previous number DII 721	State	NHTSA/OTS	\$ 420,000	\$ 420,000	Did not accept award	They are all the same grant. On 5/15/18 the awarding agency did not anticipate the award to be approved before the grant program end date. The National Highway & Traffic Safety Admin stated, that the Federal Dept of Transportation, has placed a *hold* on reviewing waivers. The award was never approved by the agency.
Total Unclaimed FY18-19									\$ 1,468,684		
1	17-18	2016 National Crime Statistics Exchange (NCS-X) Implementation Assistance Program: Phase III - Support for Large Local Agencies	6/10/2016	9/13/2016	2016FU-CX-K064	Federal	DOJ/BJA	\$ 239,610	\$ 239,610	Closed 4th Quarter 17/18 - 5/23/18	It was decided by Bureau of Justice Assistance (BJA) and the Sheriff's Dept not proceed due to National Incident-Based Reporting System (NIBRS) not compliant. It was decided by BJA and the Sheriff to return the grant funds.
2	17-18	OTS - General Grant - Regional Drug-Impaired Driving Forensic Toxicology Program	2/2/2017	N/A	DII 8034 - Previous number DII 721	State	OTS	\$ 420,000	\$ 420,000	Did not accept the award	They are all the same grant. During this FY they were still on hold for the agreement due to the agency didn't believe our purchases would quality and meet the standards for the Buy America Act.
Total Unclaimed FY17-18									\$ 659,610		
1	16-17	2016 Body worn Camera Systems	4/27/2016	9/26/2016	2016-BC BX-K041	Federal	DOJ	\$ 999,600	\$ 999,600	Did not accept award 1/30/18	The Department realized that the initial cost of cameras and the cost of a network to run the software was not compatible. The Department could not afford to put a new network in to run and staff a new Unit. The yearly maintenance was not affordable.
2	16-17	OTS - General Grant - Regional Drug-Impaired Driving Forensic Toxicology Program	1/25/2016	2/2/2017	DII 721 became DII 8034	State	OTS	\$ 400,000	\$ 400,000	Did not accept award - Grant number changed to DII 8034	They are all the same grant. This was the original grant agreement number and amount at start of process. It wasn't until 11/16 the agency changed the number, amount, and had the Sheriff sign a new agreement and it became DII 8034.
Total Unclaimed FY16-17									\$ 1,399,600		
Grand totals for Five Years (2014-2015 through 2018-2019)									\$ 3,527,894		

**COUNTY OF LOS ANGELES SHERIFF'S DEPARTMENT
REVENUE BUDGET TO ACTUAL COMPARISON AND REVENUE STREAMS ANALYSIS
FOR THE FISCAL YEAR 2019-2020**

Revenue Stream Count	Revenue Source Code	Current Revenue Categories	Adjusted Budget	Actual	Unrealized Revenue (Shortfall)/ Surplus	Shortfall/ Surplus %
Revenue Streams With Annual Budgets:						
<u>In County's General Fund for the Account of LASD:</u>						
1	8890	State Aid-Public Safety Augmentation Fund (PSAF) Proposition 172	\$ 644,385,000	\$ 646,367,208	\$ 1,982,208	0%
2	9317	Contract Cities Services	341,826,000	335,481,001	(6,344,999)	-2%
3	8944	2012 Public Safety Realignment (AB109)	236,899,000	233,106,542	(3,792,458)	-2%
4	9333	Trial Court Security 2011 Public Safety Realignment	160,070,000	153,195,757	(6,874,243)	-4%
5	9313	Metropolitan Transportation Authority Contract Services	52,580,000	59,227,139	6,647,139	13%
6	9320	Other County Departments	45,253,000	36,932,586	(8,320,414)	-18%
7	9315	Los Angeles Community College	23,944,000	25,387,778	1,443,778	6%
8	8403	Vehicle Code Fines	12,117,000	12,712,536	595,536	5%
9	9031	Federal Grants	11,857,000	10,807,289	(1,049,711)	-9%
10	9314	Southern California Regional Rail Authority (SCRRA)/Metrolink Contract	9,564,000	8,803,464	(760,536)	-8%
11	9316	School Resource Deputy	6,651,000	6,910,234	259,234	4%
12	9301	Law Enforcement Services	11,934,000	6,284,482	(5,649,518)	-47%
13	9325	Private Entity Services	6,859,000	5,523,242	(1,335,758)	-19%
14	8909	State-Citizens Option for Public Safety (COPS) (Brulte)	7,146,000	5,345,437	(1,800,563)	-25%
15	9251	Civil Process Fees	5,309,000	3,820,178	(1,488,822)	-28%
16	9302	Prisoner Transportation	4,728,000	3,688,021	(1,039,979)	-22%
17	9428	Prisoner Maintenance-Other	500,000	3,529,415	3,029,415	606%
18	9443	Law Enforcement Training (Peace Officer Standards and Training - POST)	3,861,000	2,902,705	(958,295)	-25%
19	9326	School District Services	616,000	2,784,339	2,168,339	352%
20	9461	Other Charges for Services	5,680,000	2,767,228	(2,912,772)	-51%
21	9001	Federal Other	882,000	2,626,713	1,744,713	198%
22	9081	Whole Person Care	2,872,000	2,619,957	(252,043)	-9%
23	9020	Los Angeles Regional Interoperable Communications System	1,235,000	1,931,068	696,068	56%
24	9686	Donations	3,500,000	1,909,473	(1,590,527)	-45%
25	9323	Recording Fee-Real Estate	1,519,000	1,709,642	190,642	13%
26	8933	Realignment 2011-High Technology Theft Apprehension and Prosecution Program	2,597,000	1,641,318	(955,682)	-37%
27	8843	Senate Bill (SB) 90	1,600,000	1,464,100	(135,900)	-8%
28	9198	Community Development Commission	1,003,000	1,405,554	402,554	40%
29	9091	AB 1058 Superior Court Security	762,000	1,191,698	429,698	56%
30	9318	Courtroom Security (Superior Court Supportive Services)	1,911,000	1,004,380	(906,620)	-47%
31	8937	Realignment 2011-Sexual Assault - Special Victims Bureau	1,198,000	815,405	(382,595)	-32%
32	8935	Realignment 2011-California Multi-Jurisdictional Met	1,310,000	644,122	(665,878)	-51%
33	8932	Realignment 2011-California Gang Violence Suppression	605,000	627,109	22,109	4%
34	9731	Reimbursement of Expense	499,000	585,629	86,629	17%
35	9324	Special Event Contract	1,445,000	560,540	(884,460)	-61%
36	9431	Meals	345,000	470,484	125,484	36%
37	8647	Rents & Concessions	388,000	441,658	53,658	14%
38	9013	Federal - Community Development	604,000	438,833	(165,167)	-27%
39	8431	Forfeitures & Penalties (Including Driving Under Influence, Controlled Substances)	924,000	435,816	(488,184)	-53%
40	9332	Los Angeles Impact Group (Public Entity Contract)	3,633,000	425,174	(3,207,826)	-88%
41	9903	Sale of Autos/Auctions	180,000	330,906	150,906	84%
42	9711	Non-Recurring Miscellaneous (including Non-Budgeted Accounts)	286,000	288,286	2,286	1%
43	9679	Miscellaneous-Ongoing	264,000	239,094	(24,906)	-9%
44	906A	Local Grants	491,000	219,368	(271,632)	-55%
45	9319	Perimeter Security (Trial Court) Inc in 9333	750,000	217,796	(532,204)	-71%
46	8861	Off Highway-Motor Vehicle	451,000	179,746	(271,254)	-60%
47	9171	Legal Services	2,774,000	171,725	(2,602,275)	-94%
48	R959	Co-Generation Revenue	48,000	171,050	123,050	256%
49	9641	Other Sales	140,000	158,419	18,419	13%
50	8810	State-Special Grants	991,000	74,415	(916,585)	-92%
51	9278	Handicap Assessment	26,000	24,625	(1,375)	-5%
52	8123	Motion Picture Operational Permits	53,000	23,200	(29,800)	-56%
53	8995	Federal-State Criminal Alien Assistance Program	3,000,000	-	(3,000,000)	-100%
54	9021	Other Governmental Agencies - Measure B	120,000	-	(120,000)	-100%
55	9266	Booking Fees	810,000	-	(810,000)	-100%
56	9981	Damage Claim General fund	23,000	-	(23,000)	-100%
<u>Operating transfers with annual budgets:</u>						
57	9911	Operating Transfers In	39,910,000	26,614,741	(13,295,259)	-33%
	9916	Operating Transfers In - DNA Identification	1,550,000	669,332	(880,668)	-57%
	9918	Operating Transfers In - Measure H	465,000	431,330	(33,670)	-7%
57		Sub-total	1,672,943,000	1,618,339,287	(54,603,713)	-3%

COUNTY OF LOS ANGELES SHERIFF'S DEPARTMENT
REVENUE BUDGET TO ACTUAL COMPARISON AND REVENUE STREAMS ANALYSIS
FOR THE FISCAL YEAR 2019-2020

Revenue Stream Count	Revenue Source Code	Current Revenue Categories	Adjusted Budget	Actual	Unrealized Revenue (Shortfall)/ Surplus	Shortfall/ Surplus %
<u>In LASD's Books of Accounts</u>						
58	8641	Vending Machines	18,704,000	21,200,931	2,496,931	13%
59	9679	Miscellaneous-Ongoing	7,500,000	15,052,213	7,552,213	101%
60	8715	State Motor Vehicle I	16,100,000	12,020,449	(4,079,551)	-25%
61	8715	State - Motor Vehicle I	8,100,000	6,100,989	(1,999,011)	-25%
62	9679	Miscellaneous-Ongoing	1,830,000	4,313,616	2,483,616	136%
63	9116	Sheriff Processing Fee-AB 11	4,000,000	3,954,201	(45,799)	-1%
64	9298	Sheriff Fees-AB709-\$3M	3,000,000	2,892,500	(107,500)	-4%
65	9679	Miscellaneous-Ongoing	5,000,000	2,647,923	(2,352,077)	-47%
66	8605	Interest from Treasury	1,200,000	1,344,911	144,911	12%
67	8431	Forfeitures & Penalties	1,634,000	1,180,636	(453,364)	-28%
68	8431	Forfeitures & Penalties	1,230,000	1,003,951	(226,049)	-18%
69	8605	Interest from Treasury	100,000	537,290	437,290	437%
70	8605	Interest from Treasury	255,000	399,062	144,062	56%
71	8605	Interest from Treasury	335,000	365,415	30,415	9%
72	9260	Sheriff-Proof of Corr F	700,000	351,223	(348,777)	-50%
73	8605	Interest from Treasury	200,000	256,698	56,698	28%
74	8605	Interest from Treasury	130,000	88,902	(41,098)	-32%
75	9903	Sale of Autos/Auctions	45,000	62,922	17,922	40%
76	8857	POST-POST Training	50,000	59,311	9,311	19%
77	9679	Miscellaneous-Ongoing	30,000	675	(29,325)	-98%
78	9431	Meals	60,000	-	(60,000)	-100%
Sub-totoal			70,203,000	73,833,818	3,630,818	5%
78	Total Revenue Streams with Annual Budgets		1,743,146,000	1,692,173,105	(50,972,895)	-3%
Revenue Streams Without Annual Budgets:						
<u>In County's General Fund for the Account of LASD:</u>						
1	90W0	Federal - COVID-19 Grant	-	26,008,045	26,008,045	100%
2	9910	Operating Transfers In	-	1,320,000	1,320,000	100%
3	8831	State-Other	-	928,120	928,120	100%
4	9879	Insurance Collection	-	350,477	350,477	100%
5	9004	Federal - Homeland Security	-	79,021	79,021	100%
6	967W	Inventory Adjustments	-	7,255	7,255	100%
7	9738	Service Charge-Returned Checks	-	5,023	5,023	100%
8	9699	Forfeits & Escheats	-	775	775	100%
9	9680	Cash Overage	-	637	637	100%
10	8421	Other Court Fines	-	180	180	100%
11	9734	Returned Checks	-	(901)	(901)	100%
Sub-total			-	28,698,632	28,698,632	11
<u>In LASD's Books of Accounts:</u>						
12	99V1	Prior Year - State Vehicle	-	4,266,178	4,266,178	100%
13	99V1	Prior Year - State Vehicle	-	2,159,679	2,159,679	100%
14	8605	Interest from Treasury	-	77,702	77,702	100%
15	9731	Reimbursement of County	-	12,914	12,914	100%
16	9769	Miscellaneous Refund	-	192	192	100%
	9641	Other Sales	-	(358,958)	(358,958)	100%
	77R1	Capital Assets Sale Revenue	-	(432,971)	(432,971)	100%
	77R1	Capital Assets Sale Revenue	-	(2,250)	(2,250)	100%
	77R1	Capital Assets Sale Revenue	-	(3,600)	(3,600)	100%
	77R1	Capital Assets Sale Revenue	-	(17,550)	(17,550)	100%
Sub-total			-	5,701,336	5,701,336	100%
16	Total Revenue Streams Without Annual Budgets		-	34,399,968	34,399,968	100%
Deduct, Prior-year Revenues Collected in the Current Year				(2,169,457)	(2,169,457)	
94	Grand Total For All Revenue Streams		\$ 1,743,146,000	\$ 1,724,403,616	\$ (18,742,384)	-1%



OFFICE OF THE SHERIFF

COUNTY OF LOS ANGELES

HALL OF JUSTICE

ALEX VILLANUEVA, SHERIFF



October 28, 2021

Michael J. de Castro, Managing Partner
BCA Watson Rice, LLP
2355 Crenshaw Boulevard, Suite 150
Torrance, California 90501

Dear Mr. de Castro:

**LOS ANGELES COUNTY SHERIFF'S DEPARTMENT'S
RESPONSE TO THE REPORT ON POTENTIAL
REVENUE SHORTFALLS/LOSSES**

Attached is the Los Angeles County Sheriff's Department's (Department) response to the Report on Potential Revenue Shortfalls/Losses performed by BCA Watson Rice, LLP.

The Department is in partial agreement with the report findings and will work with the applicable bureaus/units to implement the report recommendations.

Should you have any questions regarding the Department's response, please contact Assistant Division Director Glen Joe, Administrative Services Division, at (213) 229-3305.

Sincerely,

ALEX VILLANUEVA, SHERIFF

A handwritten signature in blue ink, appearing to read "Timothy K. Murakami".

TIMOTHY K. MURAKAMI
UNDERSHERIFF

211 WEST TEMPLE STREET, LOS ANGELES, CALIFORNIA 90012

A Tradition of Service
— Since 1850 —

Mr. de Castro

-2-

October 28, 2021

TKM:CM:GJ:gj/mdr
(Administrative Services Division)

Attachments

c: Timothy K. Murakami, Undersheriff
Conrad Meredith, Division Director, Administrative Services Division (ASD)
Glen Joe, Assistant Division Director, ASD
Richard F. Martinez, Assistant Division Director, ASD
Allen M. Castellano, Commander, Court Services Division
Eliezer Vera Jr., Commander, Court Services Division
Sergio Escobedo, Captain, Contract Law Enforcement Bureau

**SHERIFF'S DEPARTMENT - REPORT ON POTENTIAL REVENUE SHORTFALLS/LOSSES
DEPARTMENT ACTION PLAN/RESPONSE**

ISSUE 1:	
BCA Recommendation	We recommend that the Los Angeles County Sheriff's Department (LASD) in consultation with the Auditor-Controller Accounting Division verify and quantify the costs not being fully billed for the above-identified LASD functions to determine the cost impact to the contract cities billing model. Once those costs are quantified, LASD should seek direction from the Board to determine whether it is appropriate for LASD to work with the contract cities and its association to review the nature of these additional costs and whether it is feasible to pass some or all of these costs onto the contract cities in a manner that does not result in reductions in service or other adverse impacts.
Priority	PRIORITY 2
Agree/Disagree	Agree
Department Action Plan¹	Based on statutory language and intent of Section 51350, we believe the Board Of Supervisors (BOS) has the authority to include or exclude Countywide Functions from the cost model, thus the LASD will collaborate with the Auditor Controller's Office (A-C) to determine the cost impact to Contract Cities. LASD will also consult with the Chief Executive Office and County Counsel to determine whether the BOS will be required to adopt board policy to apply additional costs not currently allocated. If it is determined BOS action is required, the LASD would then seek direction from BOS by memorandum.
Planned Implementation Date	April 2022
Additional Information (optional)²	<p>As part of the annual rate development process (i.e. Indirect Cost Proposal), the LASD has historically collaborated closely with the A-C to identify billable costs including, any specialized functions previously provided countywide becoming a billable service(s). As cities' discretionary funding for law enforcement services decline and the cost to contract for the LASD's services continues to increase, contract cities will have little choice but to reduce the amount of contract law enforcement services placing communities at risk.</p> <p>Further, the Municipal Law Enforcement Services Agreement (MLESA) does not support charging contract cities certain costs as described in Section 4.0 of the MLESA, Performance of the Agreement, "4.1. For the purpose of performing general law enforcement services under this Agreement, the County shall furnish and supply all necessary labor, supervision, equipment, communication facilities, and supplies necessary to maintain the agreed level of service to be rendered hereunder." Portable radios and other public safety equipment (i.e. firearms, ammunition, magazines, duty gun belt, pepper spray, baton, etc.) are issued to each employee contemporaneous of graduating the Sheriff's Academy, and remain assigned to the employee for the duration of the service life of the equipment. Furthermore, Psychological Services Bureau, Professional Development Bureau, and Regional Community Policing Institute can be viewed as having a role in supplying or maintaining labor (deputies) to perform at the contracted levels of service purchased by contract cities.</p>

¹ In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.

² In this section the Department can provide any background or clarifying information they believe is necessary.

ISSUE 2:	
BCA Recommendation	In future negotiations between LASD and the Court, LASD should attempt to more clearly define what constitutes supplemental services to make the policy consistent across courthouses and ensure full reimbursement for supplemental services. In prior negotiations, LASD negotiated terms to provide LASD more flexibility in staffing courthouses by eliminating its requirement to achieve 98% staffing over the course of the year. LASD should implement practices to maximize this new staffing flexibility to minimize the need for overtime or supplemental staffing.
Priority	PRIORITY 2
Agree/Disagree	Agree
Department Action Plan¹	The LASD is operating from an established service level, which was defined as a result of realignment. The Supplemental services have been clearly defined in the 2014 MOU-section III COSTS A. BASELINE SERVICE LEVELS 3. Any increase in positions above the baseline that are requested by COURT shall be funded by COURT as supplemental services. (See excerpt of 2014 MOU in Additional Information section below). Additionally, the LASD has negotiated a new MOU with the Superior Court, which eliminates the mandated 98% service level compliance language. The new MOU is currently pending final approval by the BOS. This new MOU would allow the LASD to effectively deploy daily resources based on need rather than on an identified compliance number, which will help reduce overtime.
Planned Implementation Date	November 2021

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² In this section the Department can provide any background or clarifying information they believe is necessary.

Additional
Information
(optional)²

Excerpt of 2014 MOU

III. COSTS

A. BASELINE SERVICE LEVEL

1. Funding for SHERIFF's provision of baseline service levels set forth in Exhibit A, Master Service Level Form, of this Agreement is provided by the State of California directly to SHERIFF pursuant to California Government Code sections 30025 and 30027(c)(1).
2. COURT reserves the right to move deputy bailiff security positions to deputy bailiff (courtroom) positions, based on the needs of COURT, to reflect the agreed upon service levels in the 2010-11 baseline, subject to advance consultation with SHERIFF.
3. Any increase in positions above the baseline that are requested by COURT shall be funded by COURT as supplemental services.

LASD's Court Services Division has consistently attempted to recover all costs that were above the baseline services but were not always successful based on previous Court administrations. The audit does not convey this point accurately.

The LASD is bound by the Government Code, specifically Sections 69920-69927.

- Government Code Section 69920 states:

This article shall be known and may be cited as the Superior Court Security Act of 2012. This article implements the statutory changes necessary as a result of the realignment of superior court security funding enacted in Assembly Bill 118 (Chapter 40 of the Statutes of 2011), in which the Trial Court Security Account was established in Section 30025 to fund court security. As such, this article supersedes and replaces Function 8 of Rule 10.810 of the California Rules of Court. Although realignment changed the source of funding for court security, this article is not intended to, nor should it, result in reduced court security service delivery, increased obligations on sheriffs or counties, or other significant programmatic changes that would not otherwise have occurred absent realignment.

The Superior Court has always argued that they are not subject to a reduction in court security services based on the above Government Code. Therefore, the Court has not entertained signing an MOU with lower service levels. In fact, Government Code 69922 mandates our attendance for all superior court sessions consistent with the presiding judge's determination. This mandate does not leave much room for negotiation.

- Government Code Section 69922 states:
 - (a) Except as otherwise provided by law, whenever required, the Sheriff shall attend all superior court sessions held within his or her county. A Sheriff shall attend a noncriminal, non-delinquency action, however, only if the presiding judge or his or her designee makes a determination that the attendance of the Sheriff at that action is necessary for reasons of public safety. The court may use court attendants in courtrooms hearing those noncriminal, non-delinquency actions. Notwithstanding any other law, the presiding judge or his or her designee may provide that a court attendant take charge of a jury, as provided in

¹ In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.

² In this section the Department can provide any background or clarifying information they believe is necessary.

Sections 613 and 614 of the Code of Civil Procedure. The Sheriff shall obey all lawful orders and directions of all courts held within his or her county.

(b) Subject to the memorandum of understanding described in subdivision (b) of Section 69926, the court security services provided by the Sheriff may include, but shall not be limited to, all of the following:

- (1) Bailiff functions, as defined in Sections 830.1 and 830.36 of the Penal Code, in criminal and noncriminal actions, including, but not limited to, attending court.
- (2) Taking charge of a jury, as provided in Sections 613 and 614 of the Code of Civil Procedure.
- (3) Patrolling hallways and other areas within court facilities.
- (4) Overseeing and escorting prisoners in holding cells within court facilities.
- (5) Providing security screening within court facilities.
- (6) Providing enhanced security for judicial officers and court personnel.

In addition, the Superior Court is restricted from paying for court security services, as defined in Government Code Section 69923. It does not mandate that the Court SHALL pay for services. Court Services Division has consistently attempted to recover all costs that were above the baseline services but were not always successful based on previous Court administrations. The audit does not convey this point accurately.

- Government Code Section 69923 states:

(a) A superior court shall not pay a sheriff for court security services and equipment, except as provided in this article.

(b) Subject to the memorandum of understanding described in subdivision (b) of Section 69926, the court may pay for court security service delivery or other significant programmatic changes that would not otherwise have been required absent the realignment of superior court security funding enacted in Assembly Bill 118 (Chapter 40 of the Statutes of 2011), in which the Trial Court Security Account was established in Section 30025 to fund court security.

Lastly, Government Code Section 69926 as a reference to Government Code Section 69922 and 69923 (above):

(a) This section applies to the superior court and the Sheriff in those counties in which the Sheriff's Department provides court security services.

(b) The sheriff, with the approval and authorization of the board of supervisors, shall, on behalf of the county, enter into an annual or multiyear memorandum of understanding with the superior court specifying an agreed-upon level of court security services and any other agreed-upon governing or operating procedures. The memorandum of understanding and the court security plan may be included in a single document.

The wording of the Government Code is critical to the audit because it truly shows the challenges the Sheriff's Department faces with Trial Court Security Funding. The language does not allow for the Sheriff's Department to operate from an advantageous position. The Department is restricted from reducing service levels and/or recovering costs from the Superior Court; therefore, the real issue lies with the State's funding for Trial Court Security. The funding gap has continued to increase year after year based on the State's current funding mechanism.

¹ In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.

² In this section the Department can provide any background or clarifying information they believe is necessary.

ISSUE 2:

Lastly, the auditor's language, "Additionally, prior to FY 2018-19, the LASD did not routinely and consistently seek reimbursement from the Court for "supplemental services" is not accurate. The LASD sought reimbursement but was not always successful in receiving it from the Superior Court.

ISSUE 3:

BCA Recommendation	In light of the change in the federal administration and the success of the recent protest of reporting requirements within the Byrne JAG Grant, we recommend that the LASD apply for future SCAAP grants using the same approach taken for the Byrne JAG Grant. Based on current policy, the County is no longer eligible for SCAAP funding. Were the policy to change to permit the required reporting to the federal government, there is the potential to increase revenue in excess of \$2 million annually.
Priority	PRIORITY 3
Agree/Disagree	Partially Agree
Department Action Plan¹	Contingent on the internal Departmental policy direction, as well as County eligibility allowances, the LASD will proceed accordingly and as necessary.
Planned Implementation Date	Not Applicable
Additional Information (optional)²	

ISSUE 4:

BCA Recommendation	<p>We recommend that LASD implement the following actions to improve its grant application, utilization, and monitoring process:</p> <ol style="list-style-type: none"> 1. Design plans and procedures to ensure that grant funds are fully utilized within the grant period. The procedures may include a possible grant extension request to the grantor when the grant period is about to expire, especially for those grants with material unused amounts; 2. Adopt a strict documentation and approval process to comply with the grantor's documentation requirements to prevent any instances of denied, rejected, or canceled grants; and 3. Make enhancements to its grant log to include all grants applied for, the date grant was applied for, and the award or denial date. If denied, include reasons for denial. Maintaining this grant data will improve grants monitoring and grant performance reporting results. In addition, we recommend that LASD maintain a log/record for the revenue offset programs for each grant, if applicable, to monitor and ensure that grant expenditures are aligned with budgeted and available grant revenue amounts and are fully reimbursable.
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¹ In this section the Department should only describe the efforts they plan to take to implement the recommendation. Any other information should be included in the Additional Information section below.

² In this section the Department can provide any background or clarifying information they believe is necessary.

ISSUE 4:	
Priority	PRIORITY 2
Agree/Disagree	Agree
Department Action Plan ¹	<p>1. To ensure that grants funds are fully utilized, the LASD has previously implemented the inclusion of language when a grant is awarded to the Department for the first time, which allows the Department to apply for the same grant and/or renewal without having to go back before the BOS.</p> <p>2. Historically, with the award of a new grant, the grant's analyst and grant's accountant meet with the unit project director and project manager responsible for using the utilization of the grant funds via a "kick-off" meeting. During this meeting, the grants analyst goes through the grant award documents going over the specifics of the grants with the project director and project manager. This includes the budget, required documents, deadlines for submission of documents, etc.</p> <p>3. The LASD currently maintains an up-to-date log of grants that we have applied for, those that were awarded, and those that were denied/rejected. We also maintain a log of grants that we have had to return funds.</p> <p>Further, on October 15, 2020, the Department of Justice (DOJ) launched JustGrants, a Grants and Payment System, eliminating three separate DOJ tracking systems into one. We have been uploading the information from the three systems into the JustGrants system as time permits. Being a new system, the JustGrants system has had issues that we are working on directly with the DOJ JustGrants coordinator to resolve. We have not completed the uploading of our grants due to critical positions being curtailed/eliminated and the inability to hire behind vacant positions due to the hiring freeze, and attrition. We upload grants as time permits.</p>
Planned Implementation Date	September 2022
Additional Information (optional) ²	<p>A significant challenge in the administration of a grant(s) is that upon the grantor's awarding of grant funds, the Department must file a Board Letter to the BOS to accept the award. The process of securing placement on the Board agenda can take upwards of 2 months. For the grantor, the grant period begins at the time/date of award. Therefore, we lose 2 months or more seeking the BOS acceptance.</p> <p>Additionally, the Department's ability to fully utilize/expend awarded grant funds also comes down to the availability of personnel throughout the organization to fulfill our grant obligations. Given the historical under-resourcing of staff throughout the Department and our inability to readily hire professional and sworn personnel as a result of the hiring and promotion freeze and the suspension of deputy academy classes the department just cannot be assured that well we will have the personnel available/needed to handle all of our responsibilities, including our grant responsibilities. This is further compounded with the amendment(s) of staff familiar with a specific grant due, to the knowledge loss.</p>

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