As mandated by State law, the County closes each fiscal year with a balanced budget. This is dependent on each of the County’s 38 Departments closing within budget. When Departments fall short, the gap must be covered by the County General Fund – which ultimately means that other County priorities go unfunded.

The Los Angeles Sheriff Department’s (LASD) budget is approximately $3.5 billion. As part of today’s Supplemental Changes Budget, LASD will close with a net deficit of approximately $63.4 million for FY2018-19, due primarily to over-expenditures in overtime and under-realized revenue.

The Sheriff’s Department has a constitutional responsibility to provide public safety. However, that responsibility must be discharged under the same budgetary guidelines that apply to its sister County Departments, many of whom are also mandated by law to provide various critical services. This is true regardless of whether

MOTION BY SUPERVISORS HILDA L. SOLIS AND SHEILA KUEHL

ENHANCING INTERNAL PROCESSES AND ESTABLISHING CONTROLS WITHIN THE SHERIFF’S DEPARTMENT TO ENSURE ACCOUNTABILITY AND ACHIEVE FISCAL RESPONSIBILITY

As mandated by State law, the County closes each fiscal year with a balanced budget. This is dependent on each of the County’s 38 Departments closing within budget. When Departments fall short, the gap must be covered by the County General Fund – which ultimately means that other County priorities go unfunded.

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MOTION

SOLIS ___________________________
RIDLEY-THOMAS ___________________________
KUEHL ___________________________
BARGER ___________________________
HAHN ___________________________
the Department Head is elected by LA County voters or appointed by the Board of Supervisors (Board).

Every County Department must exercise fiscally sound budgetary practices, so that we, the County, can be a good steward of taxpayer funds as required under State law. LA County’s excellent stewardship of taxpayer funds was recently validated through a AAA rating by one of our crediting agencies, Standard & Poor’s. If this Board fails to take concrete action to address LASD’s prior-year budget deficit, LA County’s new hard-earned credit rating might be jeopardized, making service delivery to our residents more expensive.

The coordinated effort to maintain the County’s fiscal health is led by the Chief Executive Officer (CEO), who made several requests to LASD to produce a budget mitigation plan during the prior fiscal year (FY2018-19). Despite these repeated requests, no mitigation has yet been provided. The CEO is now working with the Sheriff’s Department on a mitigation plan to: 1) develop a payment plan to repay the County General Fund for last year’s deficit; and 2) implement controls to prevent future deficits. The County’s Acting Auditor-Controller can also assist LASD by reviewing the Department’s operations and accounting to find sustainable efficiencies.

Considering the significance of the prior-year deficit, a potential current-year deficit and their impact on overall County service delivery, this mitigation plan should identify areas where efficiencies can be achieved, services can be more effectively provided, and operational processes strengthened. However, it must be balanced with the Sheriff’s Departments’ constitutional responsibilities. Any mitigation plan should assume that LASD will hire fewer administrative staffers, but retain the ability to hire
individuals into critical health and public safety positions, and to pursue “civilianization,” where civilian staff are hired to replace uniformed staff on administrative assignments, so that uniformed staff can return to duty in patrol or custody.

Further, the Board of Supervisors will not tolerate any reduction to sworn staff on patrol under any circumstances.

It is the Board of Supervisors’ responsibility to the more than 10 million County residents it serves to establish financial, budgetary, and operational policies that will be executed by every County Department. The Board is committed to organizational continuity, fiscal responsibility, and most importantly, transparency. LA County residents deserve no less.

WE, THEREFORE, MOVE that the Board of Supervisors:

1. Request the Sheriff, in consultation with the Chief Executive Officer (CEO), Acting Auditor-Controller (A-C), and County Counsel to develop and implement an ongoing deficit mitigation plan without any reduction of sworn staff on patrol or impact to Board-priority services.

2. Direct the CEO to develop a plan for Board consideration to recover the adjusted FY2018-19 NCC deficit of $63.4 million from the Sheriff’s Department over a multi-year period starting in FY 2019-20.

3. Direct the CEO to implement a hiring freeze on the Los Angeles Sheriff’s Department (LASD), excluding critical health and public safety positions as determined by the CEO.

4. Direct the Acting A-C, in consultation with the CEO, to transfer $143.7 million from various LASD budget units to the Provisional Financings Uses – Sheriff
(PFU - Sheriff) budget unit, so that the funding is still dedicated for LASD but not available to the Department until a Board-approved budget mitigation plan is implemented. The $143.7 million will be transferred from services and supplies appropriation ($134.4 million) and from capital assets - equipment appropriation ($9.3 million).

5. Direct the Acting A-C and CEO to monitor the Sheriff's progress in implementing the budget mitigation plan and achieving satisfactory budgetary performance. As LASD makes progress in its budgetary performance to address the current-year deficit, the Acting A-C and CEO may make recommendations to transfer funding back to the Sheriff's Department's operating budget units.

6. Direct the Acting A-C, in collaboration with the CEO and the Office of Inspector General, to conduct an operational review of LASD to determine whether there are areas that can be more efficient and/or can operate more effectively, such as the use of overtime. The Acting A-C should utilize a consultant and/or other experienced professionals that can assist in reviewing the Sheriff's operations.

7. Request the Sheriff's Department, in consultation with the Acting A-C and CEO, to report back to the Board on a quarterly basis on the progress being made to ensure that it operates within the Board-adopted budget.

# # # #

HLS: tof
COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFORE
FY 2019-20
3 - VOTES

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>USES</th>
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<tbody>
<tr>
<td>BA DETAIL - SEE ATTACHMENT PAGES 1 - 2</td>
<td>BA DETAIL - SEE ATTACHMENT PAGES 1 - 2</td>
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SOURCES TOTAL $ 148,732,000
USES TOTAL $ 148,732,000

JUSTIFICATION
Reflects a transfer of $143.7 million ($134.4 million Services and Supplies and $9.3 million Capital Assets-Equipment) from various LASD budget units to the Provisional Financing Uses-Sheriff (PFU-Sheriff) budget unit as approved by the Board on October 1, 2019 (Item #10).

ADOPTED
COUNTY OF LOS ANGELES

1.0 OCTOBER 1, 2019

AUTHORIZED SIGNATURE SHEILA WILLIAMS, SENIOR MANAGER, CEO

BOARD OF SUPERVISORS’ APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR—

AUDITOR-CONTROLLER
B.A. NO. 050

ACTION
RECOMMENDATION
APPROVED AS REQUESTED
APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

DATE Oct 3, 2019
### COUNTY OF LOS ANGELES
### REQUEST FOR APPROPRIATION ADJUSTMENT

#### SOURCES

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<th>Description</th>
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**ADOPTED**

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

10 OCT 01 2019

CELIA ZAYALA
EXECUTIVE OFFICER

BA #050

L. de la Guerra 10/3/19

- 1 of 2 -
COUNTY OF LOS ANGELES  
REQUEST FOR APPROPRIATION ADJUSTMENT  

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CAPITAL ASSETS - EQUIPMENT  
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| SHERIFF - ADMINISTRATION  
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CAPITAL ASSETS - EQUIPMENT  
DECREASE APPROPRIATION | 186,000 |  
| SHERIFF - CUSTODY  
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CAPITAL ASSETS - EQUIPMENT  
DECREASE APPROPRIATION | 2,224,000 |  
| SHERIFF - GENERAL SUPPORT SERVICES  
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CAPITAL ASSETS - EQUIPMENT  
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| SHERIFF - COUNTY SERVICES  
A01-SH-6030-15681-15689  
CAPITAL ASSETS - EQUIPMENT  
DECREASE APPROPRIATION | 485,000 |  
| SOURCES TOTAL | $ 148,732,000 |  
| USES TOTAL | $ 148,732,000 |  

Adopted  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES  
10 OCT 01 2019  
CELIA ZAVALA  
EXECUTIVE OFFICER  

BA # 050  
Signed 10/3/19