



# OFFICE OF THE SHERIFF

COUNTY OF LOS ANGELES

HALL OF JUSTICE

ALEX VILLANUEVA, SHERIFF



June 3, 2021

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

## LOS ANGELES COUNTY SHERIFF'S DEPARTMENT BUDGET MATTERS

This letter is to request that the Los Angeles County Board of Supervisors (Board) reverse its motion and return the impounded \$143.7 million to the Los Angeles County Sheriff's Department's (Department) operating budget to allow for the procurement of routine operating expenses in light of its proven mitigation efforts to significantly reduce its structural budget deficit. Similarly, I request the Board to reconsider the policy of supplanting net county costs with increasing public safety revenues, which results in no net benefit to the Department and impairing my authority to direct operations with the funds allotted.

As you know, it is the Department's understanding that the Fiscal Year (FY) 2021-22 Board-adopted Recommended Budget reflects a Net County Cost (NCC) reduction of \$143.2 million for the Department. Consistent with past practice, Los Angeles County (County) has supplanted the NCC with increases in Proposition 172, Public Safety Augmentation Fund revenue and Trial Court Security revenue. Whereas, had the Chief Executive Officer (CEO)/Board chosen not to take NCC from the Department, funding would be available to help address the Department's budget challenges, requested programs, and most importantly the needs of the residents of the County and those under the care and supervision of the Department and the County. In addition, the Board's October 1, 2019, motion to remove \$143.7 million from the Department's operating budget continues to remain in place with the FY 2021-22 Recommended Budget.

As we are all aware, the County budgets on July 1 through June 30 fiscal year. The budgeting process begins with the CEO's issuance of budget instructions, detailing the

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information and documents the departments are to provide the CEO in its development of the CEO Recommended Budget. Each department must estimate its revenues. The CEO prescribes the amount of funds ("base budget, target NCC") a department can budget/expect to receive. Each department must also detail its appropriations (expenditures) within object level, including: salaries and benefits; services and supplies; other charges; other financing uses; and capital assets. The CEO meets with departments to review and amend (as needed) the department requested budgets, and prepares the Recommended Budget for presentation to the Board in April. During budget hearings, the Board questions the CEO and department staff, and may revise the budget as necessary. At the end of budget hearings, based on all of the information provided, the Board approves the Final Adopted Budget in June, setting for each department the number and title of positions (confirmed by subsequent adoption of an ordinance resolution) and the level of appropriations.

#### **PREPARATION OF FY 2020-21 BUDGET**

On October 1, 2019, the Board approved the unprecedented motion to remove \$143.7 million from the Department's operating budget until a Board-approved mitigation plan was implemented – in retaliation for the Department's FY 2018-19 closing deficit of \$63.4 million. Since that time, the Department's FY 2019-20 deficit was reduced to \$35 million. The CEO is scheduled to submit a receive and file letter to the Board on June 8, 2021, reporting that the Department's current FY 2020-21 closing deficit is projected to be further reduced to a net deficit of \$5.4 million.

Consequently, the CEO should reverse its motion and return the confiscated \$143.7 million to the Department's operating budget to allow for the procurement of routine operating expenses in light of its proven mitigation efforts to significantly reduce its structural budget deficit.

The CEO's draft of the scheduled June 8, 2021, Department's semi-annual Budget Status Report references the Department's payback of the \$63.4 million "loan" attributed to the deficit from FY 2018-19. The Department considers this to be a preposterous notion as it infers that we are solely responsible for the deficit when the Department has been transparent in noting its obligation to provide a necessary level of service within County custody facilities to comply with various settlement agreements, which exceeds its level of funding provided by the CEO/Board by nearly \$50 million annually. Moreover, the County's longstanding, outmoded policy of not providing annual funding to cover cost-of-living-adjustments for the Department's overtime budget or uncontrollable cost increases relative to workers' compensation, for example, were also major contributing factors to the FY 2018-19 budget shortfall.

For several years now, the Department has requested additional funding for its Custody (Custody) operations, to no avail, to comply with multiple settlement agreements and



minimize its liability exposure (see Priority #11 on the attached Budget Priorities list). The CEO claims it has to understand or verify the level of service being provided in the jails. The recent state audit of Assembly Bill (AB) 109 expenditures did not dispute the Department's level of service and in fact claimed that additional resources should be allocated to the County's Custody operations. (Reference State AB 109/Realignment audit link <https://www.auditor.ca.gov/pdfs/reports/2020-102.pdf>).

- Opportunities exist to provide additional funding to the Department via NCC savings realized by the County as a result of increased Proposition 172, Public Safety Augmentation Fund revenue, which has increased by \$195.6 million from FY 2011-12.
- Likewise, Trial Court Security revenue has increased by \$21.8 million since FY 2012-13, resulting in a net savings in NCC obligations/requirements to the County.
- Moreover, the recent State audit of AB 109 funding indicated the County has a sizable surplus in excess of \$1.6 billion, arguably to address Custody funding matters; and that a majority of the Realignment funds in County are spent by non-law enforcement departments. In FY 2019-20, for example, the State Auditor found that the Department accounted for less than 17 percent of the County's total Realignment expenditures).

The FY 2021-22 Board-adopted Recommended Budget reflects a net County cost (NCC) reduction of \$143.2 million for the Department. The County basically supplanted net County cost with increases in Proposition 172 Public Safety Augmentation Fund revenue and Trial Court Security revenue. As stated previously, had the County chosen not to take NCC from the Department, funding would be available to help address the budget challenges, requested programs, and most importantly the needs of the residents of the County and those under the care and supervision of the Department and the County.

The net loss of \$143.2 million in NCC is primarily the result of: \$114.3 million in projected increased Prop. 172 revenue; \$15.5 million in projected increased Trial Court Security revenue; \$5.5 million in NCC transferred to the Department of Health Services (DHS); and \$1.1 million in NCC transferred to the Los Angeles County Fire Department (LACOFD).

The loss of \$114.3 million in NCC related to the projected increase in Prop. 172 revenue will continue to hamper the LASD's efforts to mitigate or avoid year-end budget shortfalls, as well as preclude the LASD from moving forward with various operational enhancements and/or acquisitions including, but not limited to: information technology projects; facility enhancements; vehicle and equipment acquisitions; helicopters and helicopter maintenance; transportation buses; and less-than-lethal and safety equipment.

The loss of \$15.5 million in NCC related to the projected increase in Trial Court Security revenue will hamper the Department's efforts to mitigate the longstanding and universally understood funding shortfall in the Trial Court Security program, wherein the State does not fully fund the cost of this operation.

The ongoing loss of \$5.5 million related to the transfer of these funds to DHS to manage the cost of the Jail Health Information System (JHIS) is misguided and entirely inconsistent with the initiating Board-approved action of October 31, 2017, in which DHS advised the Board that the associated costs of the integration/migration of the JHIS into the Orchid system would be billed to the Department and that if DHS realized any savings as a result of the integration DHS would return any unspent funds to the Department. Based on the contents of the Board action adopted on October 31, 2017, it is clearly evident that the ongoing reduction of this \$5.5 million in NCC to the Department's operating budget for FY 2021-22 does not align with the Board request/action that was presented to the Board by DHS.

Finally, the loss of \$1.1 million in NCC related to the transfer of these funds to LACOFD related to the California Department of Boating & Waterways funding allocation/grant not only represents a net reduction of NCC to the Department with no direct benefit to the Department resulting from the agreement to equitably share these State funds, but the net loss of \$1.1 million in NCC further erodes the Department's capacity to address the long list of operational needs previously noted and is yet another example of the mounting obstacles and challenges presented to the Department, which will ultimately hamper our efforts to mitigate or avoid year-end budget shortfalls.

The shutdown of academy classes may prove to be penny-wise and pound-foolish as the continued loss of sworn personnel due to attrition will impact the LASD's ability to minimize overtime costs and could negatively impact operations relative to lack of appropriate supervision and the subsequent increased liability exposure. As well, the prolonged hiring freeze also impacts civilian support operations resulting in shortages in critical functions such as crime analysis, workload increases, and suppressed employee morale.

The attached Budget Priorities file includes a request (#12) to the Board for additional staffing to address Senate Bill 1421, Public Records Act requests. In light of the Department's current lack of resources and present litigation regarding responsiveness, to the extent this particular funding/staffing request (and perhaps future related requests from the Department...should the staffing need prove to still be inadequate) is not approved by the County, it is likely that the County's liability exposure will be further heightened.

To address Measure J, the County has vowed to set aside \$100 million for the next three fiscal years for a total of \$300 million. To the extent these funds are not allocated



to public safety, it is at the expense of under-resourced operational needs of the Department as well as other County public safety departments, which could ultimately compromise and/or negatively impact public safety services for the residents of the County.

### **AUTHORITY**

Your Board has the authority to delete positions and funds to the Department, but for illustrative purposes only and not as a directive to the Sheriff as to how those resources and funds are deployed. The current proposed budget dictates the deployment of resources, which is not permitted. I have the authority to deploy resources and can use the funds allotted to my Department as needed. However, the current budget infringes on my ability to do so via the program-specific County-imposed curtailments that were unilaterally enacted and approved by the Board in the current FY, the aforementioned redirection and continued unavailability of the \$143.7 million in Department funds, and the County's ongoing refusal to authorize the Department to administer academy classes that seek to address/offset sworn attrition, which will ultimately also assist the LASD in its ongoing effort to minimize overtime expenses to the greatest extent possible.

As you are aware, under the powers of the elected Sheriff, the Sheriff is to deploy his resources, but under the current budgetary restrictions he is prohibited, County of Butte (1985) 176 Ca1. App. 693, 700. In fact, the current budget, via the County-imposed curtailments that were unilaterally enacted and approved by the Board, is being used to reorganize the Department. (Totten v. Board of Supervisors of the County of Ventura (2006) 139 Cal. App. 4th 826, 837, "In adopting a budget, the Board of Supervisors must strike a balance between public safety needs and the County's obligation to fund state-mandated programs unrelated to public safety. In our view, it is a matter of statewide concern that a proper balance be struck to ensure adequate funding in both areas.")

### **CONCLUSION**

Given the shrinking Department deficit, coupled with the aforementioned NCC savings resulting from increasing revenues and the State-identified County surplus of AB 109 funds, the CEO budget does not detail a bleak overall financial outlook for the County, nor is there a shortage of funds. The County's overall financial outlook is not deficient enough to warrant the current budget proposed for the Department in FY 2021-22. To that end, I am requesting that the FY 2021-22 Recommended Budget submitted by the CEO and approved by your Board be re-discussed and that this matter be resolved in an effort to not require further action by me to declare conflict and request declaratory relief from the court (City of Cotati v. Cashman (2002) 29 Ca1. 4th 69, 79; see also Code of Civil Procedure Section(s) 1060-1061).

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The entire County is facing existential threats due to a 95.4 percent increase in homicides, double digit increases in most other violent crimes. An exploding humanitarian crisis regarding homelessness and the illegal cannabis grows and dispensaries destroying communities in their path. These threats are costing both lives and livelihoods, yet this budget does not reflect the community's concerns for public safety. This budget, just like the current FY budget, is designed to defund the Department and degrade our capacity to meet our core mission of ensuring public safety.

Thank you for your consideration. Should you have any questions or concerns, please contact me [REDACTED]

Sincerely,



ALEX VILLANUEVA  
SHERIFF