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Auditor-Controller



Fiscal Year 2016-17
Full Transparency
Countywide
Overtime Monitoring

*“Creating Value and
Making a Difference”*

Report #2018-006

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EXECUTIVE SUMMARY

Seventy-two million dollars in overtime was incurred by county departments for Fiscal Year 2016-17. Seven departments exceeding \$1 million in overtime expense were selected for monitoring in this report. The departments include, the Department of Public Social Services (DPSS), Probation Department (Probation), Riverside County District Attorney (DA), Riverside County Fire Department (Fire), Riverside County Sheriff's Department (Sheriff), Riverside University Health System (RUHS) – Behavioral Health and RUHS – Medical Center. See *Schedule A* for a complete list of overtime compared to total salaries and benefits by department for Fiscal Year 2016-17.

INTRODUCTION

In 2013 the Riverside County Office of the Auditor-Controller (Auditor-Controller) initiated a monitoring program with the purpose of providing the Board of Supervisors with relevant, timely and significant fiscal transactions and trends.

As it pertains to the use of overtime labor, reasonable and necessary expenditures enables the county to continue to provide services despite labor shortages due to vacancies, leaves, changed mandated service levels, and operational and seasonal workload spikes. Appropriate overtime is a cost-effective response to short-term labor shortages or spikes in service demands as compared to hiring additional employees. However, long-term overtime or uncontrolled uses of overtime represent significant risks of increased direct and indirect costs.

Unnecessary overtime may be avoided through management control activities such as pre-approval of overtime, adjusting staffing levels to service demand levels, regular management monitoring of overtime, and informing and communicating management's objectives regarding cost containment and service delivery to all employees. In addition, long-term overtime may help obscure fraudulent overtime.

Other impacts from long-term use of overtime include increased employee turnover, reduced employee productivity, and increased litigation costs arising from error, omission and fatigue.

The following report presents overtime use for selected departments for the last five fiscal years.

SCOPE

Seven Riverside County departments with reported overtime in excess of \$1 million were selected for this monitoring report. Those departments are named above.

Extracts from the county's financial system were compiled and the information forwarded to the departments for their response. Each department was asked to provide its rationale for the use of overtime, protocol to approve overtime and if they had identified ways to reduce this expense. The departments' responses are included in this report.

LIMITATIONS

All overtime expenditures included in this report were extracted from the county's financial accounting system. This monitoring report includes overtime, salary and total labor costs by department.

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DEPARTMENT OF PUBLIC SOCIAL SERVICES

The Department of Public Social Services (DPSS) provides federal and state mandated services and assistance with offices throughout Riverside County and is comprised of five divisions; Administrative Services, Adult Services, Children’s Services, Self-Sufficiency and Public Authority. In fiscal year 2016-17, the department had a \$1 billion combined budget and 5,808 authorized positions. DPSS employees work collectively and in partnership with community-based organizations, providing temporary financial assistance, temporary employment services, abuse and neglect protection services and healthcare coverage access to low income.

In fiscal year 2016-17, DPSS reported \$342,210,474 in labor cost, of which \$5,513,294, 1.6%, was incurred for paid overtime. Compared to the \$6,677,399 overtime expense in fiscal year 2015-16, overtime expense decreased \$1,164,105 in fiscal year 2016-17. Following are the past five fiscal year’s overtime expense incurred by the Department of Public Social Services.

Summary of overtime expenditures for the last five fiscal years:

Graph 1. Overtime expense incurred by DPSS for the most recent five fiscal years.

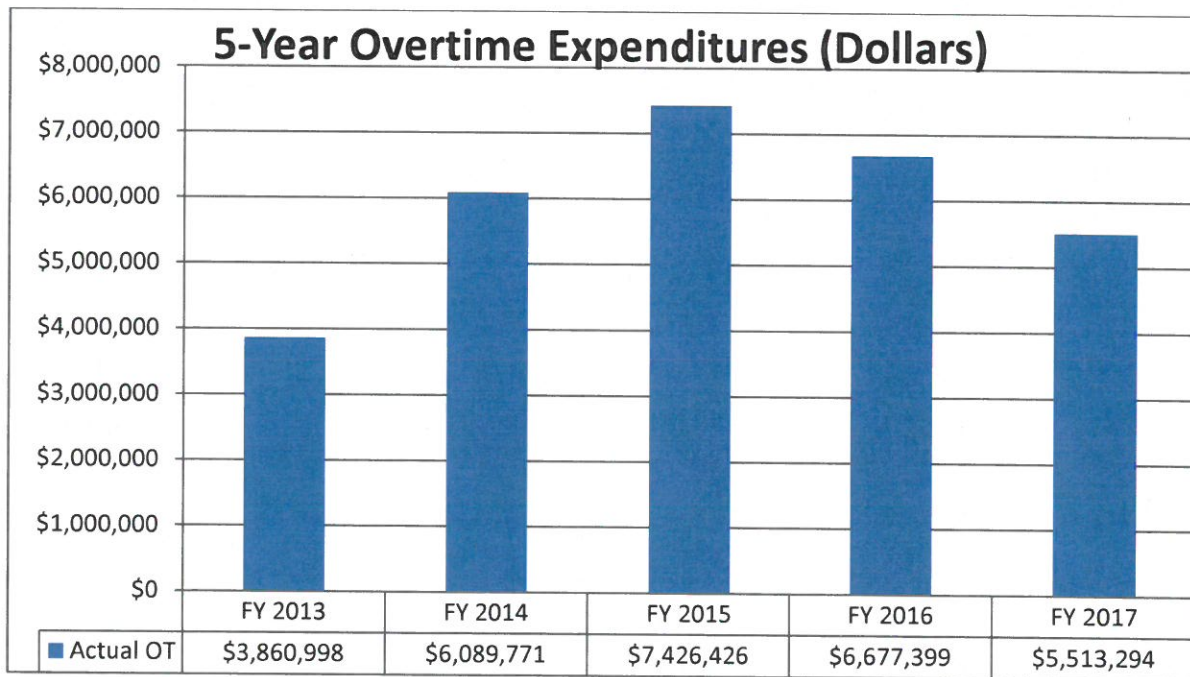


Table 1. DPSS’s total overtime cost to total labor cost in dollars.

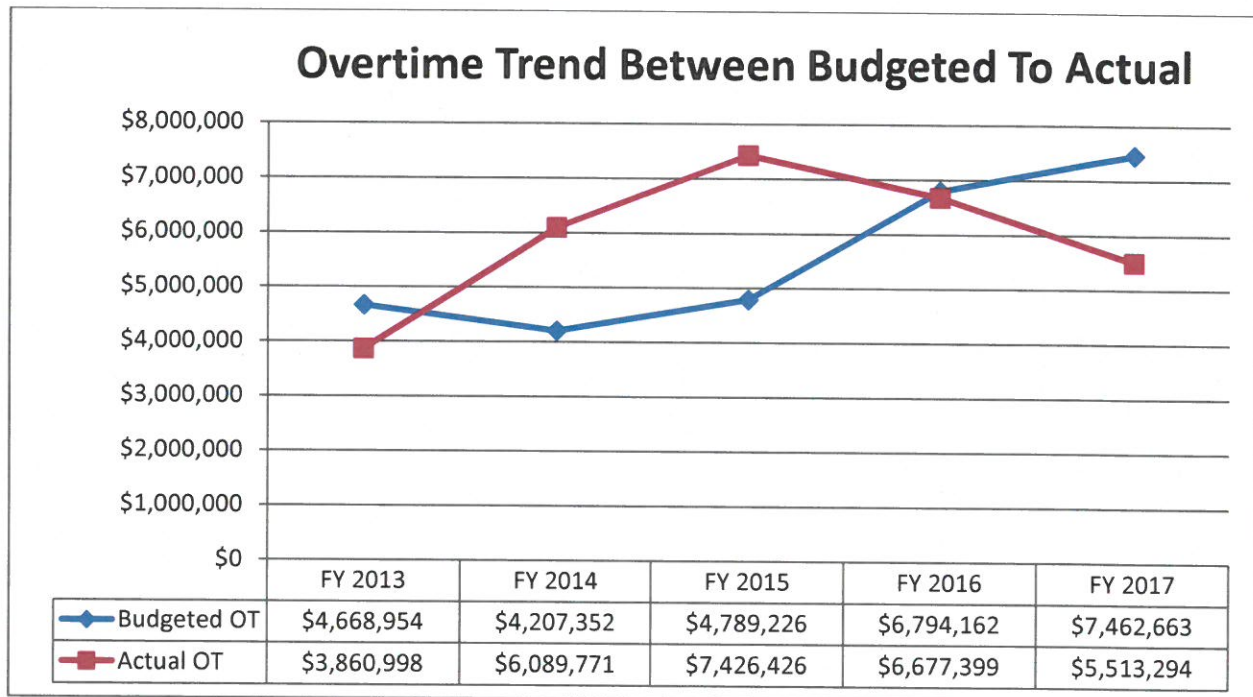
Total overtime cost to total labor cost in dollars (includes all benefits and labor taxes paid)					
Cost	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Overtime	3,860,998	6,089,771	7,426,426	6,677,399	5,513,294
Total Labor	244,205,312	264,740,225	294,093,587	336,242,530	342,210,474

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Table 2. DPSS's overtime cost to regular salary cost in dollars.

Total overtime cost to regular salary cost (only includes regular salary data)					
Cost	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Overtime	3,860,998	6,089,771	7,426,426	6,677,399	5,513,294
Regular salary	154,937,498	165,271,848	183,879,121	213,888,069	219,659,958

Graph 2. DPSS's comparison between budgeted vs. actual overtime expense in dollars.



DPSS's response to overtime inquiry:

"In reference to your letter dated July 12, 2017, the Department of Public Social Services (DPSS) primarily utilizes budgeted overtime to mitigate workload associated with high caseload levels. DPSS continues to experience increasing caseloads in the Medi-Cal, In-Home Supportive Services, and Adoptions Assistance programs. Although the department continues recruitment and training activities to backfill for attrition, authorized overtime was utilized to fill gaps during recruitments and to meet essential workload demands.

Internal controls to ensure proper authorization and utilization of overtime include management review and approval of all initial requests and extensions of overtime. Justification is specific to each circumstance and can include new workload mandates,

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regulatory changes, or recruitment and retention issues. Utilization of overtime is also monitored and controlled through periodic reporting of expenditures and the budgetary impacts are reviewed regularly with department executives.

The department continues to prioritize hiring and retention to meet the increased workload resulting from regulatory changes and caseload growth. Additionally, the department continues to implement business process changes and use technology to achieve efficiencies in managing the work. These efforts have resulted in a steady decline in overtime expenditures over the past three fiscal years. Utilizing the ACO reports provided, overtime in FY 16/17 declined 23% when compared to FY 15/16 and accounted for only 1.5% of total salaries. This represents a total decrease of 31% since FY 14/15.

DPSS will continue to monitor overtime utilization and look for opportunities to reduce expenditures while ensuring that critical services continue to be provided in accordance with established regulations and time lines.”

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PROBATION DEPARTMENT

The Probation Department had 1,135 authorized positions with a combined budget exceeding \$130 million in fiscal year 2016-17. The combined public safety and public assistance department has three major budget units; Field Services, Institution Services and Administrative/Business Services. Probation has fourteen offices throughout the county providing supervision, referral and oversight of counseling and treatment services to juveniles and adults on probation. They are responsible for out-of-home care for minors who are wards of the Juvenile Court. In addition, the department operates three juvenile detention facilities to house youth pending court hearings or placements and two youth treatment and education centers.

In fiscal year 2016-17, Probation reported \$94,691,141 in labor cost, of which \$1,651,582, 1.7%, was incurred for paid overtime. Compared to the \$2,132,220 overtime expense in fiscal year 2015-16, overtime expense decreased \$480,638 in fiscal year 2016-17. Following are the past five fiscal year's overtime expense incurred by the Probation Department.

Summary of overtime expenditures for the last five fiscal years:

Graph 3. Overtime expense incurred by Probation for the most recent five fiscal years.

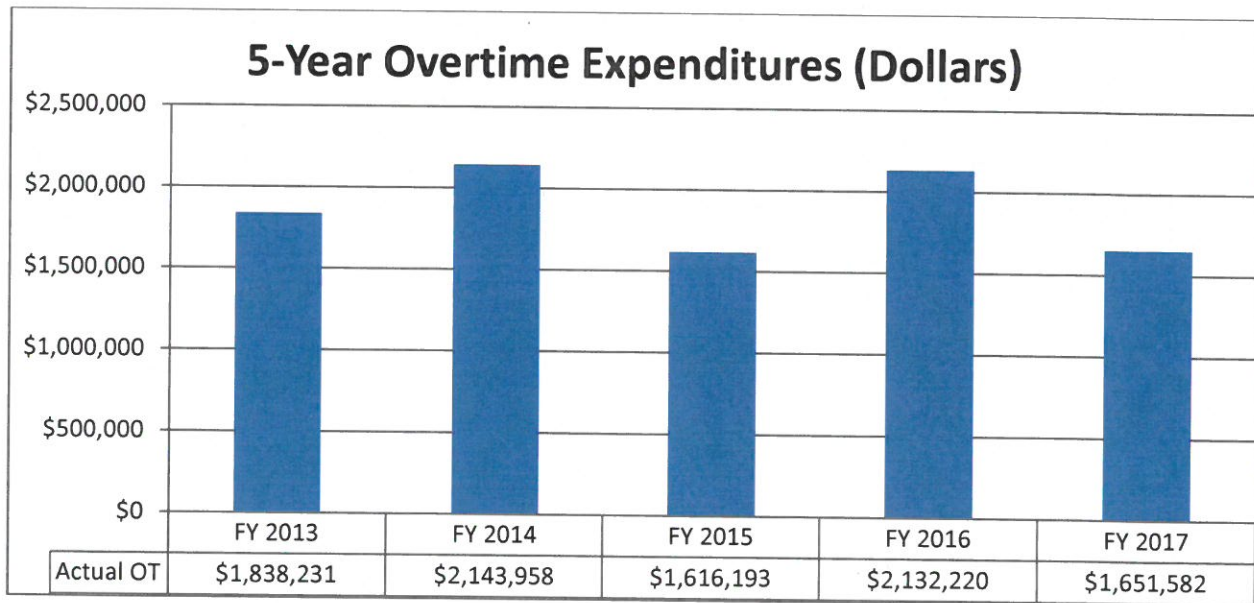


Table 3. Probation's total overtime cost to total labor cost in dollars.

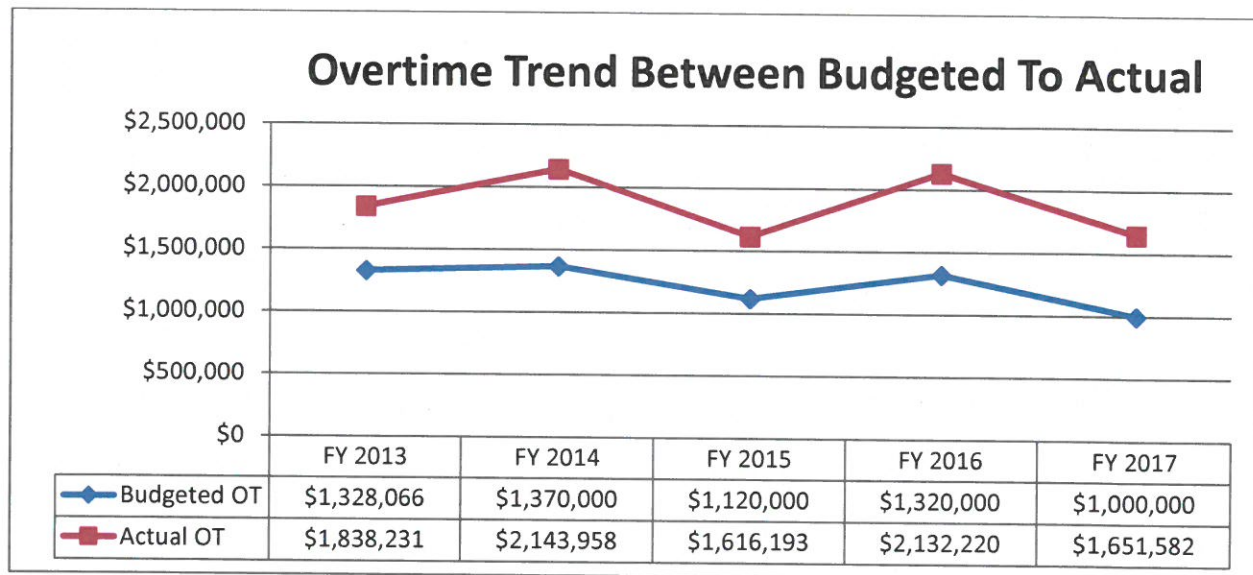
Total overtime cost to total labor cost in dollars (includes all benefits and labor taxes paid)					
Cost	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Overtime	1,838,231	2,143,958	1,616,193	2,132,220	1,651,582
Total Labor	66,909,624	71,176,134	73,986,614	87,845,549	94,691,141

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Table 4. Probation's overtime cost to regular salary cost in dollars.

Total overtime cost to regular salary cost (only includes regular salary data)					
Cost	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Overtime	1,838,231	2,143,958	1,616,193	2,132,220	1,651,582
Regular salary	42,254,218	44,872,063	47,754,321	56,419,394	60,311,460

Graph 4. Probation's comparison between budgeted vs. actual overtime expense in dollars.



Probation's response to overtime inquiry:

Auditor-Controller Comment: Overtime costs referenced in the Probation response below were preliminary numbers provided by the Auditor-Controller as of July 12, 2017 and did not include final accruals for the fiscal year. The final fiscal year costs are reflected in the above tables and graphs.

"As disclosed in your letter dated July 12, 2017, and according to your office's collected data from July 1, 2016 through June 30, 2017, Probation Department staff recorded actual overtime costs of \$1,611,226, a **24.4% reduction** from fiscal year 2015/16. As requested, below are the Probation Department's reasons and justifications for the use of overtime, including but not limited to reasons for the use of overtime, the protocol followed to approve overtime per the attached department policy, and the ongoing efforts to reduce the use of overtime. Based on the **24.4% decrease** in overtime usage from the prior fiscal year, the Probation Department has been successful in its efforts to reduce the use of overtime and will continue to strive for further reductions in future fiscal years.

Overview

The Probation Department has three major budget units that contain authorized positions; Juvenile Institutions, Field Services and Administration. The Probation Department has 1,141 authorized positions with a current department wide vacancy rate of 15.16%, or 173 positions,

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an increase from the previous overtime audit response vacancy rate of 13.32%, or 152 positions. The current vacancies are allocated as follows:

Juvenile Institutions — 426 authorized positions, vacancy rate — 15.02%* (64 positions)
Field Services — 627 authorized positions, vacancy rate — 14.67%* (92 positions)
Administration — 88 authorized positions, vacancy rate — 19.32%* (17 positions)

*The current vacancy rate does not include positions in a reduced work status, such as those with return to work restrictions; positions currently occupied but vacant due to FMLA leave and/or workers compensation claims.

The department continues to be aggressive in its efforts to fill all funded vacant positions by working closely with County Human Resources and dedicating funding for four positions within the Human Resources department for Probation Department specific recruitments.

Additionally, the department continues to authorize the advertising of referral bonuses for key positions within the department, such as Probation Correction Officers (Juvenile Institutions) and Deputy Probation Officers (Field Services). The department continues to work on reducing the number of existing funded vacant positions by streamlining the background process; and increasing recruitment efforts by targeting populations that are most likely to successfully complete the stringent background process.

Overtime Budget and Oversight

The majority of the fiscal year 2016/17 Probation Department budgeted overtime of \$1.0M is within the Juvenile Institutions budget unit, which accounted for \$0.88M, or 88%. The remaining portion of the \$1.0M budgeted overtime is allocated to Field Services \$0.10M, and Administration \$0.02M.

For each office within the Probation Department and on the back of each time sheet signed by employees and supervisors, overtime must be detailed with the purpose for the overtime and the amount of hours worked, and signed off by the appropriate supervisor before it is processed and paid. As included in the attached department policy number 328 referencing **Overtime, Section 328.3: "Overtime work is discouraged and is limited to emergencies and the performance of urgent necessary functions. Whenever possible, overtime is to be authorized in advance by the immediate supervisor."** This method of internal control ensures that the supervisor is aware of the overtime being worked and has authorized the overtime prior to being worked.

Field Services and Administration Budget Units: Approximately 52% of the Field Services and Administration overtime expenditures are reimbursed via outside funding and other revenue streams. For the Field Services budget unit, the overtime expenditures are typically for specific task force functions and specialized operations, such as the Sexual Assault Felony Enforcement (SAFE) teams and Special Task Force operations, **which are funded via grant allocations and memorandums of understanding with outside agencies specifically reimbursing the Probation Department for overtime activities.**

The Administration overtime expenditures are similarly **reimbursed via external grant allocations, such as the Community Corrections Performance Incentive Act (CCPIA) and AB 109 Public Safety Realignment (AB 109).** The majority of the overtime expenditures for the Administration budget unit are for quality assurance work performed with the reporting requirements of the CCPIA and AB 109 programs.

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Juvenile Institutions Budget Unit: For the Juvenile Institutions budget unit where the majority of the overtime occurs for the department, Title 15-Section 1321 governs the mandated functions associated with the child custody and care duties, transportation requirements, court hearings, medical appointments, mandated training, etc. of the juvenile institutions. The code section specifically details the requirements for the minimum staffing levels associated with the operations of the juvenile detention facilities located in Riverside, Murrieta, and Indio.

Based on the code section, there is a 1 to 10 staffing requirement during the day or waking hours, and a 1 to 30 staffing requirement during the sleeping hours. The overtime associated with the juvenile institutions is a direct result of the existing vacancies within this budget unit, currently at 15.02%, and the Title 15-Section 1321 mandated requirements for minimum staffing levels. To maintain and ensure the proper control of available staffing resources within the Probation Department, the department continues to be diligent in training all detention facility schedulers to minimize overtime usage while ensuring that all detention facilities maintain compliance with Title 15 staffing requirements. One of the key tools that the Probation Department has implemented to ensure the proper allocation of available staffing resources while maintaining Title 15 compliance and ensuring officer safety is an electronic scheduling system within each detention facility that allows the schedulers to maximize available staffing resources when evaluating the need for overtime usage. Additionally, the **electronic scheduling system** allows the scheduler and manager to generate real-time usage reports, as opposed to waiting for the end of the pay period for the time to be keyed into the PeopleSoft system and payroll calculated to generate usage reports. Additionally, the department's **Executive Team and division managers receive regular overtime reports detailing overtime by location each pay period.** The Executive Team also receives an overall monthly budget update that includes an overtime recap report, year-to-date figures in comparison to prior years' activity/costs, and end-of-year projections for overtime. This high-level briefing allows the Executive Team to stay on top of any anomalies with overtime usage and take immediate action to stem possible over expenditures.

Similar to the Field Services and Administration budget units, there is a revenue offset/reimbursement factor associated with the Juvenile Institutions overtime expenditures. **Approximately 15% of the overtime budgeted cost for Juvenile Institutions is reimbursed via the Standards for Training and Corrections (STC) funding.** The STC funding is utilized for juvenile institution staff required to attend training associated with their job duties and responsibilities.

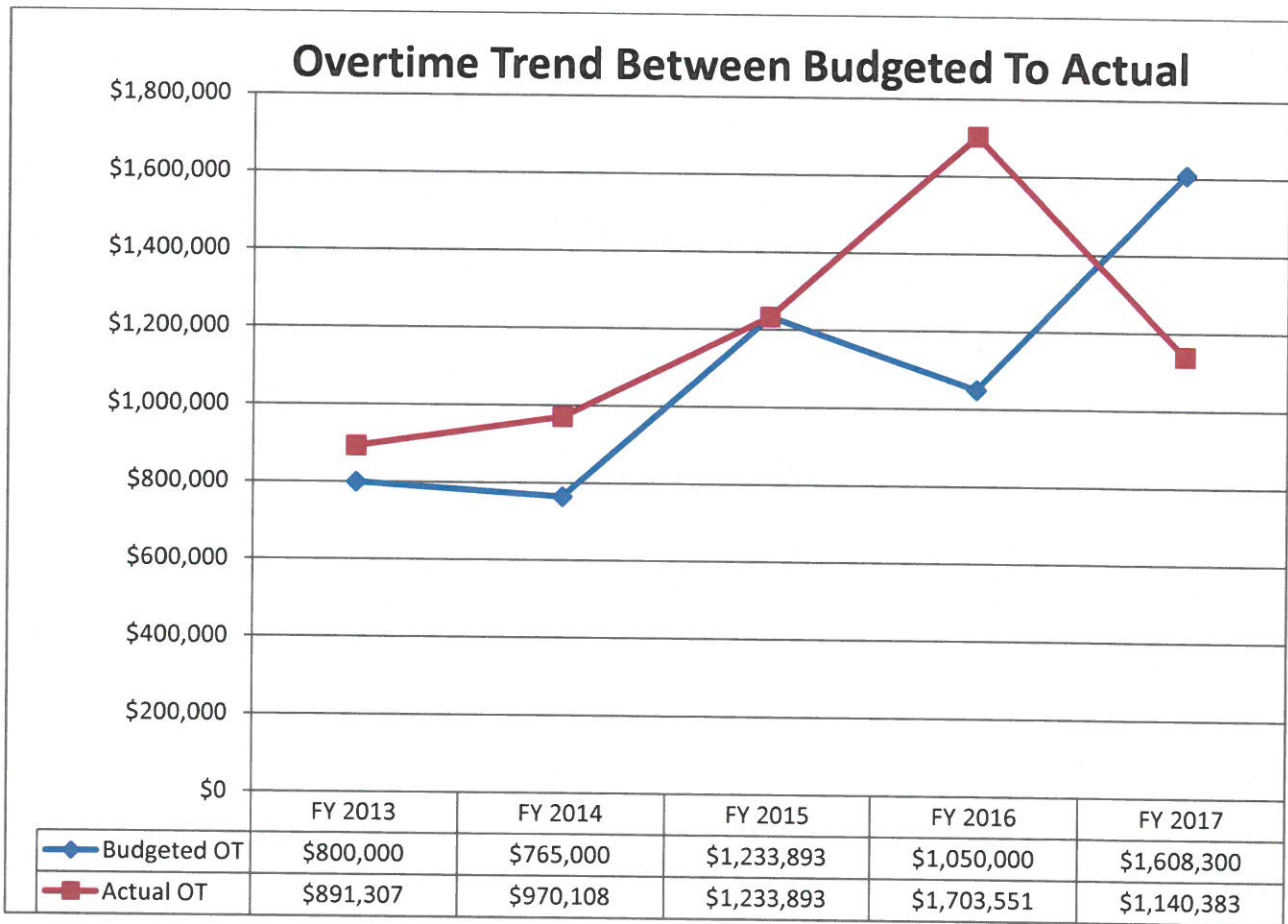
In summary, the Probation Department continues to be cutting edge and prudent in maximizing available staffing resources, and using the latest technology and tools to establish and maintain effective internal controls designed to safeguard county resources while ensuring compliance with established laws, regulations and policies. **From the department's perspective, the total overtime cost of \$1,611,226 for fiscal year 2016/17, a 24.4% decrease from the prior fiscal year, is only 1.19% of the department's budget. In addition, this cost is offset by grant funding and other revenues by approximately 40% or \$645,052 resulting in a net overtime cost of \$966,174 and is a direct reflection of the Probation Department's ongoing efforts to successfully reduce and control overtime, and identify reimbursable funding streams to offset overtime costs."**

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Table 6. DA's overtime cost to regular salary cost in dollars.

Total overtime cost to regular salary cost (only includes regular salary data)					
Cost	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Overtime	891,307	970,108	1,233,893	1,703,551	1,140,383
Regular salary	60,521,536	62,918,540	66,129,400	70,143,401	71,409,712

Graph 6. DA's comparison between budgeted vs. actual overtime expense in dollars.



DA's response to overtime inquiry:

Summary

On Tuesday, July 18, 2017, the Riverside County District Attorney's Office (DAO) received a letter from the Auditor Controller's Office regarding agency-wide overtime usage for FY 16/17. As of 7/31/17, the total overtime reported for this period was \$1,140,383 due to the recent pay period 15 entries. However, after consideration of all of our various federal, state and local non-county revenue sources, the total overtime (OT) paid out of general fund discretionary dollars is just under 45% or \$508,557.

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As of 7/31/17, the District Attorney reports a 33% reduction in total OT costs over last FY. A primary reason for these cost savings is due to severe austerity measures implemented by the DAO. The District Attorney negotiated a one-year side-agreement with the RCDDA Union to forgo standby pay when carrying the homicide pager and all attorney OT when called to respond to Officer Involved Shootings (OIS), homicides and suspicious deaths after hours and on weekends throughout the County. Additionally, our attorney and Bureau of Investigation managers and executives picked up OIS, homicide and suspicious death call out duties after hours and on weekends throughout the county, without compensation, in addition to their existing duties. Finally, the DAO suspended all paid search warrant support services to our law enforcement partners.

Background

After pay-period 15 entries, DAO total reported OT costs were \$1,140,383, more than half a million dollars lower than the prior FY. Of the \$1,140,383 in total OT costs, 88% (or \$1,006,583) was attributable to our Bureau of Investigations (the Bureau). Of this, 64% (or \$645,847) were either grant related or directly reimbursable. The Bureau serves as the law enforcement arm of the District Attorney.

Bureau Investigators conduct both primary and supplemental investigative activities (surveillance, search and arrest warrant service, suspect transport, witness interviews, suspect interrogation, witness/attorney/dignitary protection) and provide trial support to meet a stringent conviction standard of proof beyond a reasonable doubt. A core mission of our Bureau includes the countywide investigation of all OIS's and incidents wherein there is a serious likelihood of death or death results, for a determination of criminal liability of involved officers. The Bureau is the first responder agency for all Public Corruption investigations, as well as Financial Crimes (Insurance, Real Estate, Consumer Fraud, Worker's Compensation and Health Care Fraud). The Bureau maintains our constitutionally supported presence in innovative criminal justice programming through participation on several multi-jurisdictional task forces, including Sexual Assault Felony Enforcement (SAFE) Team, Gang Impact Team (GIT), Inland Regional Corruption Task Force, DEA Narcotics Enforcement Team, Real Estate Fraud, AB-109 Post Release Community Supervision (PRCS), Anti-Human Trafficking, and the Riverside Auto Theft Interdiction Detail (RAID).

Additionally, the DAO actively seeks out a variety of grants and alternate funding sources to help ease an already strained budget. Many of these funding streams specifically include overtime. Of our total OT costs of \$1,140,383, 33% (or \$377,034), was funded by various federal, state and local grants, thereby having no effect on Net County Cost (NCC). Some of these grant sources include but are not limited to the Department of Insurance, Department of Homeland Security, United States Marshall Service, Real Estate Fraud and Consumer Fraud. In addition, \$254,792 or 22% of the total reported OT cost was attributable to direct reimbursement from the City of Indio for requested investigative coverage during the Coachella and Stage Coach festivals. The Net County Cost (NCC) effect after consideration of all of our various federal, state, local and festival reimbursement was just under 45% of total OT costs, or \$508,557.

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Monitoring

Any overtime worked by any staff in the DAO including the Bureau require prior supervisory review and approval. Each requested use of overtime is vetted on a case-by-case basis before authorization is granted. As a law enforcement agency, it should be noted that all work cannot be accomplished within the traditional work hours of 8am-5pm. There are several attorneys, investigators, and technicians assigned to various special duties including regional task forces that often work after hours. Often times the initiation of criminal investigations requires immediate enforcement action including search and arrest warrant service and criminal investigations.

In addition to the preventative measures taken via supervisory review on the timesheet, the DAO-Administrative Managers and supervisors obtain standard PeopleSoft-HRMS payroll reports, which detail overtime usage on a year-to-date basis. These reports are received on a bi-weekly basis to permit executive review and allow for corrective action if warranted. The DAO also employs alternative work schedules in appropriate assignments to mitigate OT costs and preserve limited external and internal funding.

Communication

After final analysis of the payroll reports and communication to the supervisors, the Deputy Director of Administration provides a verbal and written report to the Executive Staff at all Executive Monthly Report presentations. This report analyzes year-to-year trending, year-to-date costs, and year-end projections of DAO overtime usage.”

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RIVERSIDE COUNTY FIRE DEPARTMENT

The Riverside County Fire Department (Fire), in cooperation with the California Department of Forestry and Fire Protection, operates ninety-two county, volunteer, city and state fire stations, providing fire protection, fire prevention, rescue and medical emergency services to county unincorporated areas, twenty-one cities and one community services district. The department is comprised of 267 authorized positions with a \$275 million budget in fiscal year 2016-17.

In fiscal year 2016-17, Fire reported \$24,817,402 in labor cost, of which \$1,828,164, 7.4%, was incurred for paid overtime. Compared to the \$1,474,122 overtime expense in fiscal year 2015-16, overtime expense increased \$354,042 in fiscal year 2016-17. Following are the past five fiscal year's overtime expense incurred by the Riverside County Fire Department.

Summary of overtime expenditures for the last five fiscal years:

Graph 7. Overtime expense incurred by Fire for the most recent five fiscal years.

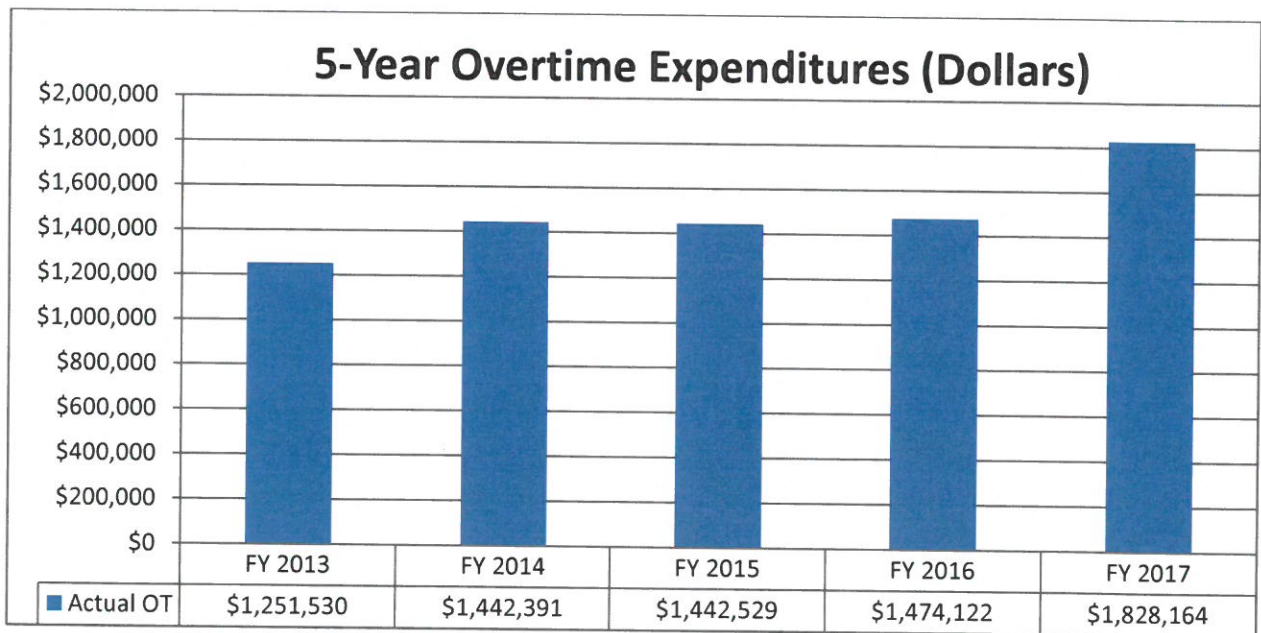


Table 7. Fire's total overtime cost to total labor cost in dollars.

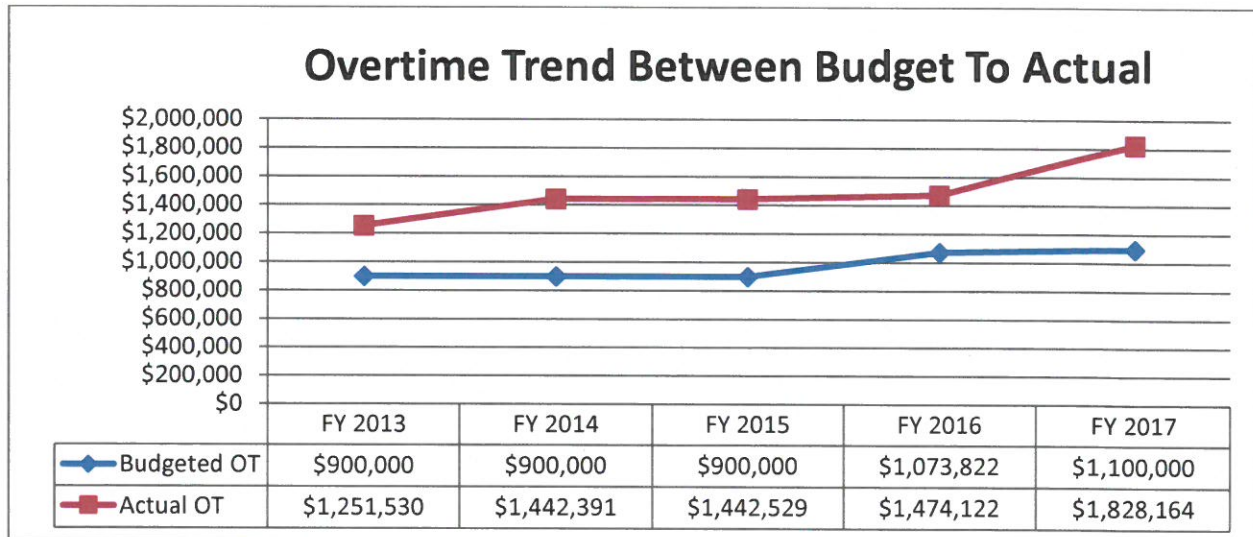
Total overtime cost to total labor cost in dollars (includes all benefits and labor taxes paid)					
Cost	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Overtime	1,251,530	1,442,391	1,442,529	1,474,122	1,828,164
Total Labor	17,969,185	19,930,555	22,282,460	22,797,513	24,817,402

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Table 8. Fire's overtime cost to regular salary cost in dollars.

Total overtime cost to regular salary cost (only includes regular salary data)					
Cost	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Overtime	1,251,530	1,442,391	1,442,529	1,474,122	1,828,164
Regular salary	10,810,791	12,023,408	13,666,715	14,310,892	15,290,491

Graph 8. Fire's comparison between budgeted vs. actual overtime expense in dollars.



Fire's response to overtime inquiry:

"In response to your letter dated July 12, 2017, the Fire Department uses overtime for emergency response, coverage in our Emergency Command Center, call back for any type of maintenance issue (fleet, facility, com/it, etc.), and as workload deems necessary. Our support staff responds to the needs of our firefighters during emergency incidents and at times overtime is necessary with a 7/24/365 operation.

Our Emergency Command Center is a 24-7 day a week dispatch center that requires staffing at all times. Overtime is used when employees are out sick, on medical leaves, unforeseen vacancies, and at times for vacations. We had several vacancies and high turnover in our Emergency Command Center last year that increased overtime. To help mitigate the overtime and the workload of our current staff, we added six (6) Fire Communication Dispatcher positions in FY 16/17. The additional budgeted positions did not mitigate our overtime costs because we continued to have a very high turnover during the fiscal year. We had an average of fifteen (15) positions or 27% of our ECC workforce vacant for FY 16/17. As of July 2017, we have been able

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to fill all our funded vacant position. This may mitigate the overtime related to vacancies for the future; however, it will not eliminate the need to use overtime during emergency incidents.

The overtime in our Fleet, Facility Maintenance and Communications/IT Bureaus is due to necessary maintenance issues. We must always have our fleet well maintained even on evenings and weekends. The Fire Department, as you can imagine, is a 7/24/365 operation. All our fire stations must be operational at all times day and night and our Facility Maintenance staff does respond to issues on call back overtime.

It is critical that our Communication/IT needs are met at all times as well and overtime is necessary after hours. Our overtime in these areas is mostly due to the needs of our fire stations and vehicles.

Overtime is reviewed with each timesheet submittal and again after every pay period. All overtime on timesheets require separate signature approval. In addition, a report of overtime and banked overtime is provided to management after every pay period for review. The Executive Team and particularly the Fire Chief monitors the biweekly overtime report.”

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RIVERSIDE COUNTY SHERIFF'S DEPARTMENT

The Riverside County Sheriff's Department (Sheriff) is a public safety agency with 5,098 authorized positions including law enforcement professionals, administrative and support staff and a combined budget of \$681 million in fiscal year 2016-17. The Sheriff provides court security, service of civil process and execution of court orders, maintaining and operating correctional facilities and law enforcement service, including crime investigation, detection and prevention. In addition, the Sheriff is responsible for the Corner investigation and Public Administrator estate functions. The Sheriff has ten stations and five correctional facilities providing services to county unincorporated areas, seventeen cities, one tribal community and one community college district.

In fiscal year 2016-17, the Sheriff reported \$557,846,100 in labor cost, of which \$33,257,604, 6.0%, was incurred for paid overtime. Compared to the \$36,922,993 overtime expense in fiscal year 2015-16, overtime expense decreased \$3,665,389 in fiscal year 2016-17. Following are the past five fiscal year's overtime expense incurred by the Riverside County Sheriff's Department.

Summary of overtime expenditures for the last five fiscal years:

Graph 9. Overtime expense incurred by the Sheriff for the most recent five fiscal years.

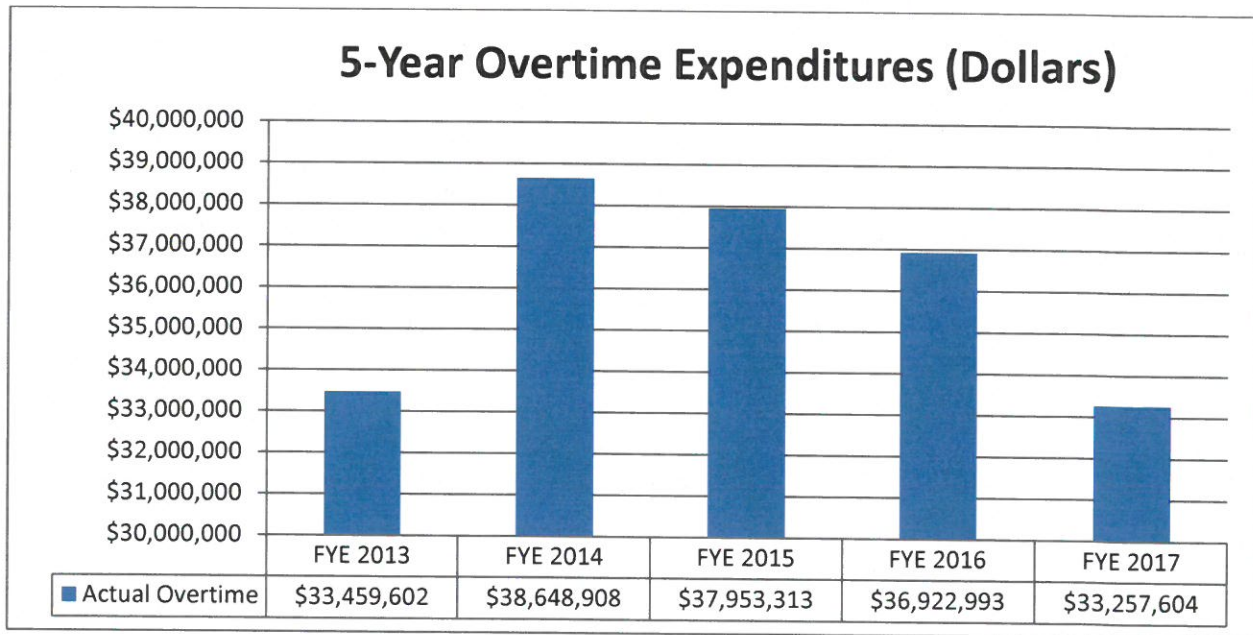


Table 9. The Sheriff's total overtime cost to total labor cost in dollars.

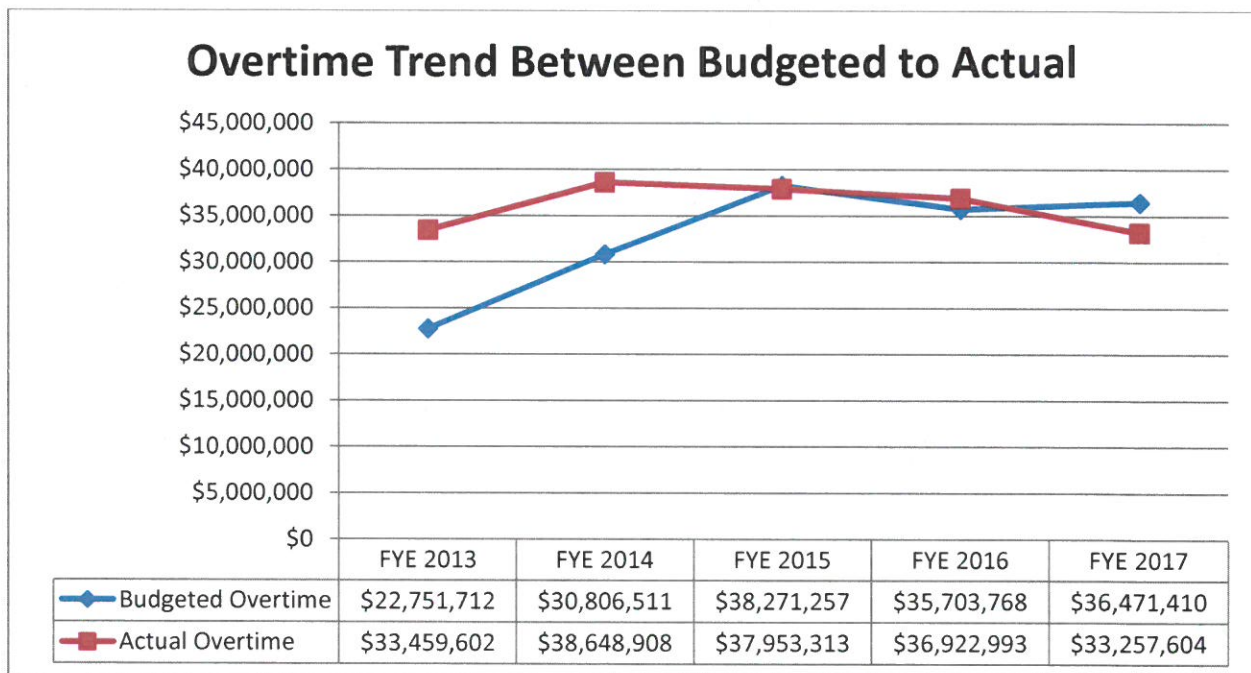
Total overtime cost to total labor cost in dollars (includes all benefits and labor taxes paid)					
Cost	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Overtime	33,459,602	38,930,775	38,330,571	36,922,993	33,257,604
Total Labor	449,974,761	489,290,704	523,946,813	555,295,139	557,846,100

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Table 10. The Sheriff's overtime cost to regular salary cost in dollars.

Total overtime cost to regular salary cost (only includes regular salary data)					
Cost	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Overtime	33,459,602	38,930,775	38,330,571	36,922,993	33,257,604
Regular salary	266,359,507	293,865,191	318,743,964	337,999,526	331,339,547

Graph 10. The Sheriff's comparison between budgeted vs. actual overtime expense in dollars.



Sheriff's response to overtime inquiry:

"On July 12, 2017, we received correspondence from your office in which there was a notation stating the Sheriff's Department had incurred overtime costs of \$33.2 million from July 1, 2016, through June 30, 2017. We analyzed data covering "strictly overtime" for that time and have determined our actual overtime costs were \$29.1 million; meaning the amount noted in the correspondence is overstated by \$4.1 million. Our analysis indicates the discrepancy is due to the erroneous inclusion of funds attributed to Sub-Account 510421 (Overtime Holiday) being added into the total. "Overtime Holiday" (code HLX) occurs when a holiday falls on an employee's regular day off. The HLX pay is categorized as overtime pay in the system because it is disbursed in addition to an employee's normal pay, or is considered extra pay, but it is not actual overtime hours worked. Therefore, HLX pay is actually a cost attributable solely to the occurrence of a holiday, and not a true overtime cost. This is a repeated error that we have made your office aware of for the last four fiscal years.

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Comparatively, at an expenditure of \$29.1m the overtime costs for the Sheriff's Department in FY16/17 were approximately \$3.4 million dollars, or 10.5%, less than the FY15/16 recorded overtime expenditure of \$32.5 million. The Sheriff's Department monitors and controls overtime on a daily basis at all bureaus and stations. Overtime is approved through the chain-of-command, and is ultimately reviewed and approved by each Commander. Detailed overtime reports are produced every pay period, and reviewed by the Sheriffs Executive Staff on a monthly basis.

A review of gross numbers fails to appropriately reflect the fact that nearly 53% of Sheriff's Department overtime spending last year was actually reimbursed - via grants, court security funding, special event charges, and payments from the cities that contract with the Sheriff's Department for law enforcement patrols. Approximately \$15.5 million of overtime costs were anticipated and built into the budgets approved by each jurisdiction reimbursing those costs. So the overtime for those operations caused no "budget overruns" or unanticipated charges.

Of course, some overtime is inevitable, necessary and non-reimbursable, in a complex, around-the-clock public safety operation. The Sheriff has spoken before the Board of Supervisors numerous times about the overtime impacts of dropping to minimum staffing and the impacts of AB 109 Realignment. Overtime costs associated with events like minimum staffing required for officer safety, unforeseen critical incidents, unfunded costs of the Prison Law Office consent decree (PLO), catastrophic fires, unanticipated Presidential visits to the Coachella Valley, extended shifts due to complex criminal investigations, call outs, training requirements that take deputies out of their primary assignment, intermittent county-directed hiring curbs, employee sick time and leaves of absence are unavoidable. The past labor deal negotiated between the county and RSA union mandates an overtime minimum of four hours of pay, at time and a half, when a deputy is off-duty and called back to work to appear in court (subpoena), even if the court appearance lasts just 10 minutes. All of the aforementioned events fall into the non-reimbursed category. Non-reimbursed overtime equated to approximately 47% (\$13.6 million) of the FY16/17 total.

Overtime at the Sheriff's Department is by any standard well within existing professional parameters. It is tightly managed and the real professional benchmarks underscore that reality. For instance, according to a recent study by California Watch, law enforcement agencies in California typically spend 6% to 12% of their total personnel budgets on overtime. Near the lower end of the range is one of the best-run police departments in the Inland area, at 6.7 % last year. The Riverside County Sheriff's Department operates at a level of overtime well below all of these- at 2.0% last year.

Good overtime analysis explores the myriad causes of overtime and reports far more than a single metric of cost, thereby helping frame solutions by assessing which costs are unavoidable and which might be better managed - either by the department or by other county officials whose decisions affect overtime spending. The Sheriff's Department welcomes scrutiny of annual overtime in the Department. However, to be meaningful, any competent assessment must entail rigor and a multi-dimensional approach to the analysis - not simply provide a cursory look at gross spending for a specific time period.

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The Office of the Sheriff, which embraces continuous improvement and innovation, is always happy to discuss ways to further reduce overtime. At the same time, it is the department's duty to prevent a different, countervailing kind of cost; that of underutilizing overtime, and risking a failure in public protection. Should you feel it helpful for you to review examples of overtime audits conducted by other governmental entities in their review of agencies in the public safety arena that have been found to be more accurate and to modern, more-exacting standards, we would be happy to either assist you in finding these directly or forward such request to KPMG for their professional assistance.”

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RIVERSIDE UNIVERSITY HEALTH SYSTEM – BEHAVIORAL HEALTH

The Riverside University Health System – Behavioral Health (RUHS-BH) provides treatment and support services to transition-age youth, adults and seniors who have a mental illness and/or substance use addiction and children who are seriously emotionally disturbed. Services are provided by 1,949 authorized positions including Psychiatrists, Clinicians, Peer Specialists, and paraprofessionals provided in clinics, County detention centers, and by contract providers throughout Riverside County with a combined budget of \$358 million in fiscal year 2016-17.

In fiscal year 2016-17, Behavioral Health reported \$161,278,453 in labor cost, of which \$2,251,514, 1.4%, was incurred for paid overtime. Compared to the \$1,878,346 in fiscal year 2015-16, overtime expense increased \$373,168 in fiscal year 2016-17. Following are the past five fiscal year's overtime expense incurred by the Riverside University Health System – Behavioral Health.

Summary of overtime expenditures for the last five fiscal years:

Graph 11. Overtime expense incurred by RUHS-BH for the most recent five fiscal years.

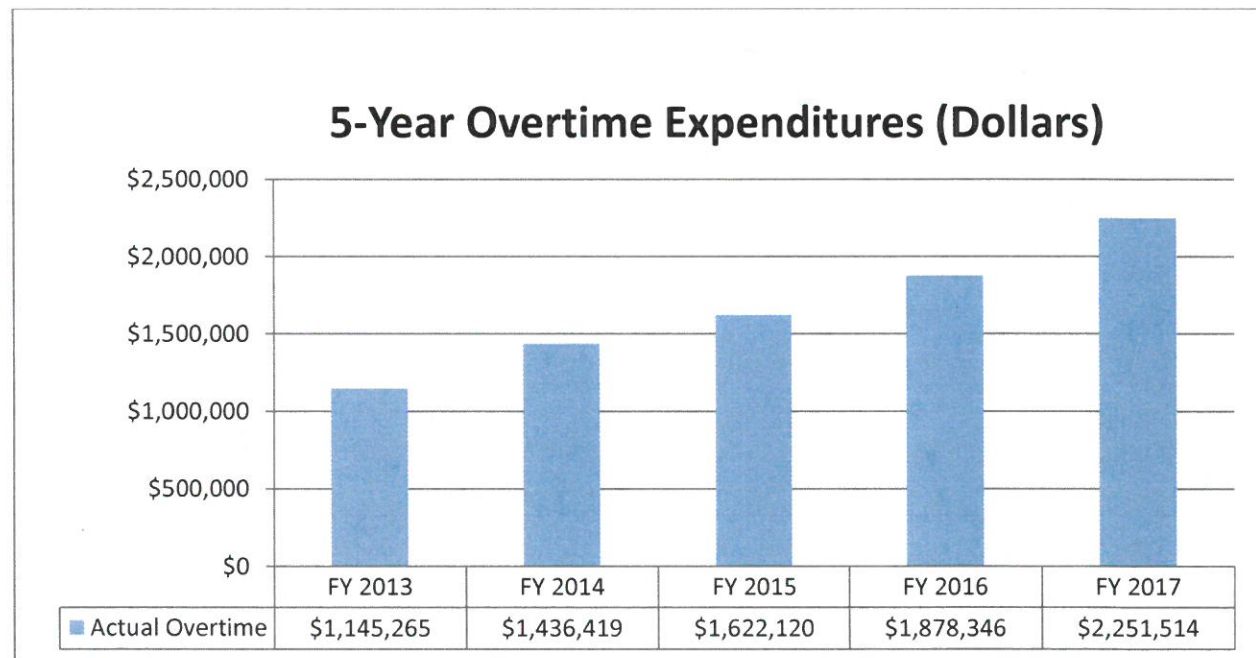


Table 11. RUHS-BH's total overtime cost to total labor cost in dollars.

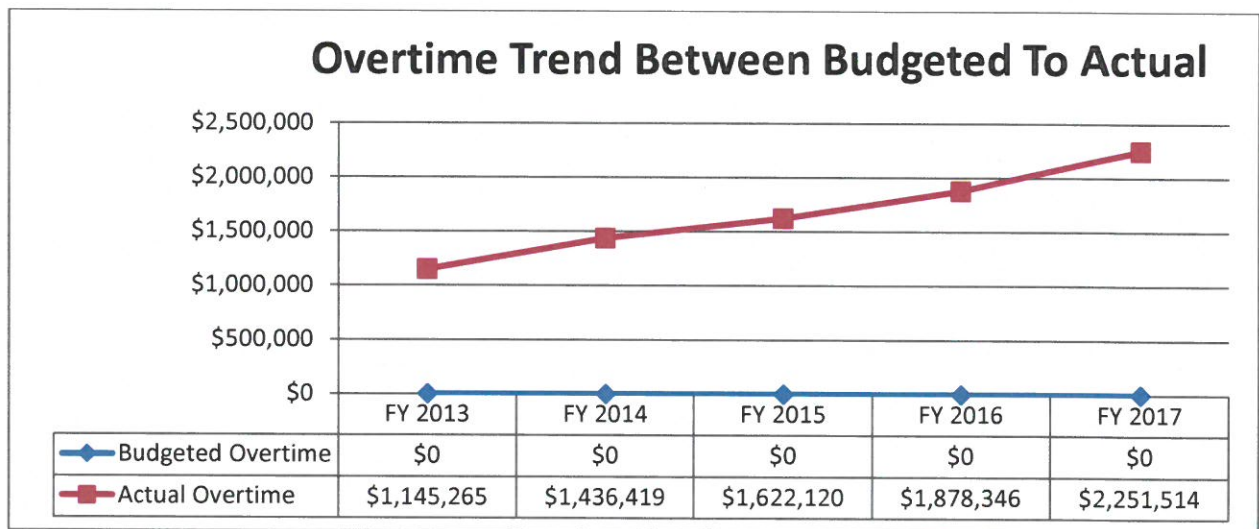
Total overtime cost to total labor cost in dollars (includes all benefits and labor taxes paid)					
Cost	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Overtime	1,145,265	1,436,419	1,622,120	1,878,346	2,251,514
Total Labor	95,078,840	109,400,456	124,580,791	141,818,061	161,278,453

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Table 12. RUHS-BH's total overtime cost to regular salary cost in dollars.

Total overtime cost to regular salary cost in dollars (only includes regular salary data)					
Cost	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Overtime	1,145,265	1,436,419	1,622,120	1,878,346	2,251,514
Regular Salary	58,888,363	68,029,940	78,874,395	89,971,907	101,281,174

Graph 12. RUHS-BH's comparison between budgeted vs. actual overtime expense in dollars.



RUHS-BH's response to overtime inquiry:

Auditor-Controller Comment: Overtime costs referenced in the RUHS-BH response below were preliminary numbers provided by the Auditor-Controller as of July 12, 2017 and did not include final accruals for the fiscal year. The final fiscal year costs are reflected in the above tables and graphs.

"In FY 16/17 the Behavioral Health Department (RUHS-BH) recorded per diem amounting to \$5,503,239 and overtime amounting to \$2,122,355 for the total of \$7,625,594.

RUHS-BH utilizes Per Diem Staff Psychiatrist positions as an employee benefit choice. Per Diem salaries account for \$5,503,239 (72%) of the \$7,625,594 of the total Per Diem and overtime usage for Fiscal Year 16/17.

Overtime is utilized in the case of excessive consumer service workload or other emergency use that exceeds the timeframes required for completing the work. The remaining \$2,122,355 (28%) of overtime was predominately used by jail staff and Psychiatrists. Approximately \$1.6 million (75%) of the overtime worked was in the jail and by Psychiatrists due to consumer service workloads and staffing needs for difficult to recruit positions. Psychiatrists are exempt from overtime and therefore are paid at straight time.

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workloads and staffing needs for difficult to recruit positions. Psychiatrists are exempt from overtime and therefore are paid at straight time.

RUHS-BH has a policy in place that requires overtime to be pre-approved by the supervisor or manager. All overtime in excess of 16 hours per employee, per pay period, is brought to the attention of the Director or Assistant Director for approval. In addition, Human Resources provides a quarterly report to Management that details the number of overtime hours by employee. Annually, the manager shall evaluate the need and directly seek approval for overtime routinely in excess of 16 hours per employee by classification, per pay period.

As RUHS-BH continues to work toward filling positions, overtime will continue to be utilized to meet client service needs.”

RIVERSIDE UNIVERSITY HEALTH SYSTEM – MEDICAL CENTER

The Riverside University Health System – Medical Center (RUHS-MC) is a full-service hospital offering occupational and physical therapy, complete laboratory testing, pulmonary treatment and diagnostic services. As a 439-bed teaching hospital located in the City of Moreno Valley, the Medical Center offers training programs for nursing students, medical residents and allied health professionals. Medical services are provided by 3,571 authorized positions with a budget of \$585 million in fiscal year 2016-17. The facility has 12 operating rooms with the capacity to manage 200,000 patient visits in specialty outpatient clinics, the Emergency Room/Trauma Unit has the capacity to manage 100,000 patient visits annually. The Medical Center also includes medical services to adult inmates, juvenile detainees incarcerated in county facilities and uninsured medically indigent eligible residents of the county.

In fiscal year 2016-17, the Medical Center reported \$354,400,534 in labor cost, of which \$20,032,926, 5.6%, was incurred for paid overtime. Compared to the \$15,852,847 expense in fiscal year 2015-16, overtime increased \$4,180,079 in fiscal year 2016-17. Following are the past five fiscal year’s overtime expense incurred by RUHS – MC.

Summary of overtime expenditures for the last five fiscal years:

Graph 13. Overtime expense incurred by RUHS-MC for the most recent five fiscal years.

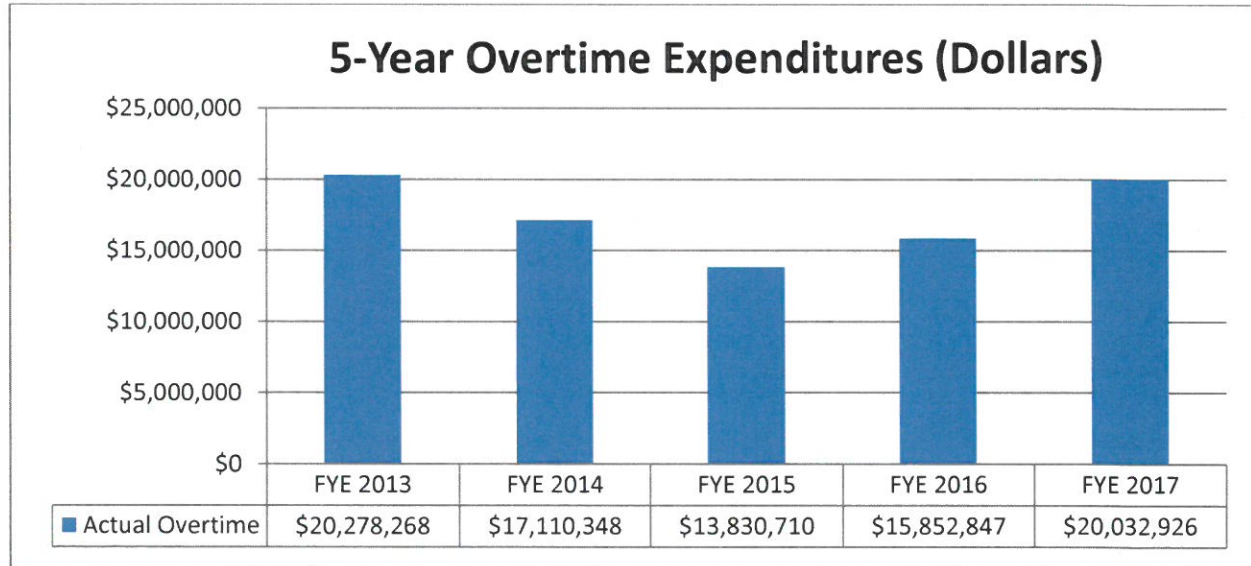


Table 13. RUHS-MC’s total overtime cost to total labor cost in dollars.

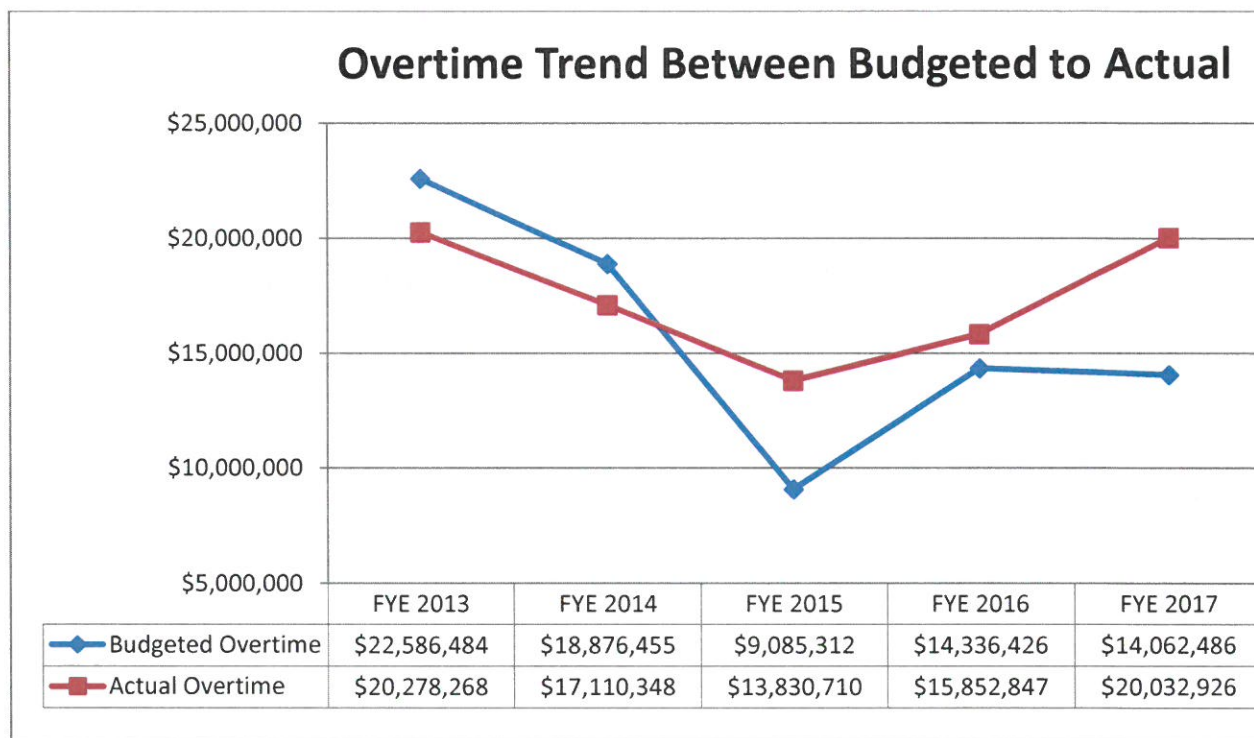
Total overtime cost to total labor cost in dollars (includes all benefits and labor taxes paid)					
Cost	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Overtime	20,278,268	17,110,348	13,830,710	15,852,847	20,032,926
Total Labor	267,054,031	279,817,014	275,728,087	311,011,103	354,400,534

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Table 14. RUHS-MC's total overtime cost to regular salary cost in dollars.

Total overtime cost to regular salary cost in dollars (only includes regular salary data)					
Cost	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Overtime	20,278,268	17,110,348	13,830,710	15,852,847	20,032,926
Regular Salary	146,052,026	157,990,267	160,479,412	184,737,595	203,934,388

Graph 14. RUHS-MC's comparison between budgeted vs. actual overtime expense in dollars.



RUHS-MC's response to overtime inquiry:

"In response to your memorandum dated July 12, 2017 below is the response in regards to overtime and/or per diem cost for Fiscal Year 2017.

What is the justification for overtime use in your department?

The use of overtime is part of a hospital staffing practice that allows managers to quickly respond to changing patient volume on a daily or even hourly basis. When changes in patient load are seasonal or if they happen at more irregular or less predictable intervals, using overtime can be a useful and quick staffing response tool. There is always a tradeoff between using overtime versus hiring permanent staff. The latter can be more costly as it reduces the flexibility and may lead to higher labor cost if the volume surge is not sustained.

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What management controls exist to limit the use of overtime to emergency and non-routine purposes that are critical to department operational goals?

Management continues to monitor overtime use, by department and hospital-wide on a regular basis. The productivity report, which is provided on a bi-weekly basis, allows managers to quickly identify OT use, by day and by employee. Since KRONOS Timekeeping went live in May, it has been allowing managers to track the information on a timely basis and to manage the use of overtime more effectively.

What plans, if any, does your department have to reduce overtime costs?

The current overtime hour's average is about 5.3% of total worked hours. With the help of KRONOS timekeeping and KRONOS Analytics (expected to be implemented in the next 3 months), more timely information and awareness will help to bring the percentage down.

As the focus continues to be on manager's accountability with more regular and timely reports, reducing unnecessary overtime is at the core of these efforts. The benefits of regular and timely reports, plus the future benefits of KRONOS Analytics are expected to contribute to more reductions in OT use."

**Full Transparency Schedule
Countywide Overtime By Department: Fiscal Year 2016-17**

Department	Overtime FY 2016-17	Total Salaries and Employee Benefits	% OT/S&B
Agricultural Commissioner	\$1,754.74	\$4,508,624.12	0.04%
Assessor County Clerk-Recorder	297,241.90	39,853,339.34	0.75%
Auditor-Controller	11,227.64	8,617,198.55	0.13%
Board of Supervisors		6,831,477.56	0.00%
Children and Family First Commission	17,634.19	3,015,226.33	0.58%
Code Enforcement	29,225.56	8,553,564.99	0.34%
Cooperative Extension		316,010.25	0.00%
County Airports	8,334.28	963,886.63	0.86%
County Counsel		12,858,420.63	0.00%
County Executive Office	55.56	8,213,253.98	0.00%
County Service Areas	47,283.51	2,756,649.73	1.72%
Department of Animal Control	588,273.74	17,197,094.64	3.42%
Department of Building & Safety	21,061.84	3,391,070.15	0.62%
Department of Community Action	2,759.69	4,266,442.52	0.06%
Department of Environmental Health	110,129.56	21,072,409.46	0.52%
Department of Public Social Services	5,513,294.40	342,210,474.38	1.61%
Desert Expo Center	21,809.39	830,501.26	2.63%
District Attorney	1,140,383.05	105,695,422.31	1.08%
Economic Development Agency	75,918.86	25,958,980.88	0.29%
Edward Dean Museum		131,457.38	0.00%
Emergency Management Department	194,466.33	7,022,527.57	2.77%
Facilities Management	629,064.62	38,770,094.63	1.62%
Fire Protection	1,828,163.74	24,817,401.75	7.37%
Flood	313,307.37	27,018,688.70	1.16%
Human Resources	13,234.62	42,250,303.28	0.03%
Information Technology	976,759.26	60,803,741.24	1.61%
In-Home Support Services Public Authority	33,075.13	5,896,871.74	0.56%
Office On Aging	4,126.25	5,959,128.46	0.07%
Planning	7,599.56	3,325,114.57	0.23%
Probation	1,651,581.94	94,691,141.47	1.74%
Public Defender	8,107.65	35,868,603.04	0.02%

**Full Transparency Schedule
Countywide Overtime By Department: Fiscal Year 2016-17**

Department	Overtime FY 2016-17	Total Salaries and Employee Benefits	% OT/S&B
Purchasing & Fleet	60,802.93	10,053,093.32	0.60%
Regional Parks & Open Space District	92,628.45	10,504,562.48	0.88%
Registrar Of Voters	624,890.19	4,915,099.79	12.71%
Riv. County Dept Of Child Services	387,064.79	26,362,005.78	1.47%
RUHS - Behavioral Health	2,251,514.03	161,278,452.96	1.40%
RUHS - Care Clinics	612,565.32	30,944,709.11	1.98%
RUHS - Medical Center	20,032,925.69	354,400,533.86	5.65%
RUHS - Public Health	102,262.87	59,508,041.09	0.17%
Sheriff	33,257,604.47	557,846,100.23	5.96%
Transportation	498,392.21	47,092,422.10	1.06%
Transportation Land Management Agency	17,535.96	7,453,311.38	0.24%
Treasurer-Tax Collector	2,346.41	8,532,727.60	0.03%
Veteran Services	96.23	1,163,623.21	0.01%
Waste	447,786.62	17,732,342.02	2.53%
Waste Resource Management District	37,032.32	2,681,308.53	1.38%
West Riv Co Regional Conservation Authority		1,997,655.27	0.00%
Total FY 2016-17	\$71,971,322.87	\$2,266,131,110.27	3.18%