



**BOARD OF SUPERVISORS  
AGENDA LETTER**

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Agenda Number:**

**Submitted on:**  
(COB Stamp)

**Department Name:** County Executive Office  
**Department No.:** 012  
**Agenda Date:** February 10, 2026  
**Placement:** Departmental Agenda  
**Estimated Time:** 60 minutes  
**Continued Item:** No  
**If Yes, date from:** N/A  
**Vote Required:** Majority

**TO:** Board of Supervisors  
**FROM:** Department Director: Mona Miyasato, County Executive Officer  
Contact: Tanja Heitman, Assistant CEO  
**SUBJECT:** Fiscal Year 2024-25 Sheriff's Office Overtime Usage Report

DocuSigned by:  
  
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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** Human Resources

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Receive and file a report on Sheriff's Office overtime usage from FY 2024-25;
- b) Request the Sheriff's Office to continue to explore and implement additional controls to manage and reduce overtime use and exercise appropriate management controls;
- c) Direct further review and/or audit of issues noted in this report by the Auditor-Controller's Office, as well as other findings as determined by the Auditor-Controller, as appropriate;
- d) Direct the Human Resources Director to explore available options to increase accountability and control over overtime and compensatory time use and costs through upcoming labor negotiations with the Deputy Sheriffs' Association (DSA) and Sheriff's Managers Association (SMA);
- e) Provide other direction, as appropriate; and
- f) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA), because pursuant to sections 15378(b)(4) and 15378(b)(5) the recommended actions consist of organizational, administrative, or fiscal activities of government that will not result in direct or indirect physical changes to the environment.

**Summary Text:**

This item is before your Board to receive a report on data analysis conducted by the Auditor-Controller's Office of overtime usage in the Sheriff's Office in Fiscal Year (FY) 2024-25. The Internal Audit Division of the Office of the Auditor-Controller performed a review of Sheriff's Office timesheet, payroll, and general ledger data. The objective of this review was to perform data collection, review, and analysis to effectively report on Sheriff timekeeping practices and costs for FY 2024-25, specifically as it pertains to overtime.

This report includes eight observations and related considerations for your Board and departmental management in the prospective administration, monitoring, and reporting of Sheriff overtime. This report requests further Internal Audit review where additional evaluation is needed, and directs the Human Resources Director to explore options to improve accountability and cost control of overtime and compensatory time use through upcoming labor negotiations.

**Background:**

Due to a trend of increasing unbudgeted costs associated with Sheriff employee salaries and overtime pay, as discussed within the Fiscal Analysis section below, the CEO's Office and your Board requested that the Auditor-Controller review and analyze Sheriff timekeeping and payroll activity, specifically as it pertains to overtime, for FY 2024-25.

As a result, Internal Audit conducted a limited-scope engagement that does not constitute an audit. Detailed testing to evaluate compliance with County policies, contractual obligations, or the effectiveness of internal controls related to Sheriff's Office time keeping and overtime practices were not performed.

Upon completion of Internal Audit's review, Auditor-Controller issued a memorandum to your Board dated December 12, 2025 (Attachment A). The Sheriff's Office issued a preliminary response to the Auditor's report on December 15, 2025 (Attachment B) and a full response on January 26, 2026 (Attachment C).

**Auditor Methodology:**

The data collection, review, and analysis were limited in scope to quantifying Sheriff's Office salary costs, specifically related to overtime, in terms of total hours coded, and the associated costs, through a review of employee timesheet and payroll data as well as general ledger cost coding and reporting. Supplemental procedures were also performed related to the review of the Deputy Sheriffs' Association (DSA) and the Sheriff's Managers Association (SMA) Bargaining Unit Memorandums of Understanding (MOUs) as well as industry best staffing and overtime practices. It should be noted that the Sheriff's Office also maintains civilian positions that are primarily represented under the Service Employees International Union, Local 620 (SEIU 620). However, while this review included all FY 2024-25 Sheriff's Office employees, the primary focus was related to sworn deputies, custody deputies, and Sheriff's Office management, as SEIU 620 employees only accounted for approximately 10% of total overtime costs.

Internal Audit's data review and analysis identified several systemic and policy-driven practices that appear to contribute to increasing Sheriff overtime costs and reduced transparency in labor reporting. The data collection, review and analysis encompassed 270,970 total workdays within 19,355 timesheets submitted in FY 2024-25 by 824 unique Sheriff's Office employees and resulted in eight observations with related considerations for policy and operational improvement.

Please refer to Attachment A for a full description of the methodology utilized in Internal Audit's data report.

## **Observations and Responses:**

### **1. Use of Leave Balances to Generate Overtime**

#### *Observation:*

Internal Audit noted a recurring pattern in which Sheriff employees used leave balances (vacation, sick, or other leave) to complete “time worked” hours requirements associated with their standard Fair Labor Standards Act (FLSA) work period while simultaneously coding overtime hours in the same period. Internal Audit found that this practice appeared to effectively increase total overtime hours; it was identified in 6,913, or 35.7%, of all timesheets, resulting in an estimated \$5.9 million in FY 2024-25 overtime costs.

Internal Audit noted that use of leave balances to satisfy “time worked” requirements in the same workweek or pay period while also working overtime hours appears to be allowable per the current DSA MOU.

#### *Response:*

In the context of this report it is important to define FLSA overtime as compared to MOU overtime. **FLSA overtime is required by federal law, in order to ensure employees are fairly compensated when working more than 40 hours in a workweek.** Employees covered by the Act (or “non-exempt” employees) must generally receive overtime pay for actual hours worked over 40 in a workweek at a rate of at least 1.5 times their regular pay. FLSA allows for different workweeks to be established for different groups of employees. For public safety employees, FLSA allows special provisions, including an extended “work period” (in the case of the County’s pay periods) of 80 hours over a 14-day work period, to accommodate unique scheduling needs of 24/7 operations.

By contrast, **MOU overtime is additional compensation negotiated through labor agreements, which can be more liberal than FLSA requirements.** For example, the DSA MOU allows for combining an employee’s worked hours with their leave time (vacation, sick, or other leave) to reach the overtime (80-hour) threshold, whereas the FLSA limits this to actual hours worked.

In all County MOUs, employees may count discretionary paid leave banks (including vacation, holiday, and compensatory time) as “hours worked” to reach the overtime threshold. Additionally, in the current Sheriff and Fire MOUs, employees may use sick leave to satisfy time worked requirements to reach the overtime threshold. For reference, the current DSA and SMA MOUs are provided as Attachment D and Attachment E, respectively. The utilization of leave time taken to satisfy the overtime threshold is described in section 15.B of the DSA MOU. According to County Human Resources (HR), these practices are consistent with those in similar MOUs throughout the State.

#### *Recommendation:*

It is unclear the level to which sick time usage—or other leave time usage—to satisfy the overtime threshold contributes to overtime costs within the Sheriff’s Office or if any patterns suggesting misuse of sick time or other leave were occurring. A recent Side Letter to the DSA MOU (Attachment F) modifies the MOU section 10.D to strengthen opportunities for improved review of sick leave usage by the Sheriff’s Office and Auditor-Controller. To better determine this fiscal impact, as well as to gain a better understanding of the controls in place around such usage, staff recommends further analysis by Internal Audit. Should there be concern over the general practice of using leave balances toward overtime in the same pay period, broader review of this practice would be necessary to understand whether abuses are occurring.

## **2. Overtime Coded First on Timesheets**

### *Observation:*

Internal Audit noted that Sheriff's Office employees frequently coded overtime at the beginning of their standard FLSA work periods, before any regular hours were worked. Internal Audit felt it distorted overtime reporting and was incongruent with the principle that overtime should only apply after regular hours are worked.

Per the current DSA MOU overtime is defined as "work in excess of eighty (80) hours in a fourteen (14) day work period". Internal Audit's interpretation is that "eighty (80) hours in a fourteen (14) day work period" constitutes a County pay period, and as such overtime should not be coded, and cannot be earned, until that threshold has been met and exceeded.

### *Response:*

The issue identified pertains to when overtime is recorded and does not necessarily represent an abuse of overtime. To properly capture costs and drivers of overtime, overtime shifts must be coded on the day they actually occurred, in order to provide accurate budget allocation and reporting of costs. For example, if a patrol deputy's workweek starts on a Wednesday but they are called in for overtime on the prior Monday at the jail, the overtime would need to be coded on the actual shift worked, before the deputy's regularly scheduled hours later that week, in order to properly attribute the need for the overtime cost to the jail instead of patrol. This does not in itself represent a misuse of overtime, nor does it affect the number of hours of overtime utilized (as overtime is still only paid when at least 80 hours of combined work and paid time off also occur in the same pay period).

### *Recommendation:*

For there to be clarity, overtime should be clearly identified and recorded in the payroll system as FLSA overtime or MOU overtime, as defined above. The Sheriff's Office should work with the Auditor-Controller, HR, and CEO to address improved record-keeping.

## **3. No Limits on Employee Work Hours**

### *Observation:*

Internal Audit's timesheet analysis revealed that 65,811 (24.3%) of all 270,970 FY 2024-25 Sheriff workdays exceeded 12 hours worked. In addition, 2,468 workdays exceeded 16 hours worked, of which 373 workdays exceeded 19 hours worked, with 72 instances of employees being compensated for 24-hour workdays.

With an exception related to Communications Dispatchers, the current DSA and SMA MOUs do not appear to provide limits on overtime or total hours worked on a daily, weekly, pay period, monthly, or annual basis.

### *Response:*

According to the Sheriff's Office response in Attachment C, extended workdays are "typically associated with emergency responses to major incidents and criminal investigations, court-mandated appearances, training combined with operational assignments, employees called to active duty while on standby status, and/or "portal-to-portal" compensation required under MOU provisions negotiated by County Employee Relations and approved by the Board of Supervisors."

Under the current DSA MOU, sections 16.B and 16.D, placing an individual on standby status entitles them to compensation of \$4 per hour while on standby, as well as portal-to-portal compensation. Portal-to-portal compensation allows them to be paid for their travel time to and from the work location. The use of standby should be reserved for situations where staff may or may not be needed

but where it is critical that they be available to return to work immediately should they be needed. Due to the manner that it was utilized to effectuate mandatory overtime, it appears other controls should have been utilized.

*Recommendation:*

Further review and analysis by the Auditor-Controller and HR, with improved record-keeping by the Sheriff's Office, are necessary to assess the degree to which each of the above factors contribute, as well as the appropriateness of the shift lengths.

**4. Mandatory Overtime Shift Length Generally Exceeds Regular Shift Length**

*Observation:*

Internal Audit observed that the length of mandatory overtime shifts regularly exceeded the length of regular, or normal, shifts. The length of mandatory overtime shifts also appeared to generally exceed the length of voluntary, and other, overtime shift types. Regular Sheriff's Office employee shifts are primarily 8, 10, or 12 hours in length, which led Internal Audit to question why mandatory overtime shifts commonly are lengthier. Per timesheet analysis, there were 5,235 mandatory overtime shifts worked in FY 2024-25, of which 3,765, or 72%, exceeded 12 hours in length. 3,682, or 70%, of all mandatory overtime shifts were between 14 and 19 hours in length.

The current DSA MOU allows for "portal-to-portal" compensation when employees are called to active duty while on standby duty status. In addition, off-duty employees called to active duty are also given credit for at least two hours of work time. However, it was unclear to Internal Audit whether these MOU inclusions are applicable to mandatory overtime or if they contribute to the unusual length of mandatory overtime shifts.

*Response:*

As noted in response to observation #3, the need and implications of using standby status when placing staff on mandatory overtime do not appear to have been fully evaluated prior to implementation. The additional overtime pay that staff received for their travel time (portal-to-portal) was allowable under the MOU but could have potentially been mitigated by assigning mandatory shifts and using standby status for fewer staff.

The Sheriff's Office recently implemented efforts to mitigate this. According to the Sheriff's Office response in Attachment C, the number of mandatory overtime shifts in the Custody Branch were reduced from 14 shifts down to 4 shifts per staff member in the most recent shift rotation, which was effective January 19, 2026.

*Recommendation:*

While reduction of mandatory overtime shifts is a positive change and will help reduce the occurrence of this issue, it does not fully address the underlying issue of overuse of standby status. Further review and analysis by HR and Auditor-Controller are needed to determine to what degree this could be reduced through greater controls or scheduling options.

**5. Overtime Exempt Employees with Extra Help Job Assignments**

*Observation:*

During FY 2024-25, 24 overtime-exempt Sheriff Managers, including ranks up to Chief Deputy, worked Extra Help job assignments earning approximately \$715,000 in combined additional pay, representing 21% of all FY 2024-25 Extra Help costs. Internal Audit felt that this effectively constitutes "hidden overtime" as the costs associated with this practice are coded in the Extra Help general ledger account rather than an overtime account.

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Per the current SMA MOU, overtime exempt employees may volunteer to work available voluntary overtime typically worked by DSA employees. However, per the current SMA MOU this is considered “overtime” and not “extra help” work and pay.

*Response:*

The issue identified by Internal Audit relates to the manner in which this time worked by management was coded as extra help instead of overtime. Due to limitations in the County timecard system, this workaround (use of extra help for overtime-exempt management staff) was created, which inadvertently masked the overtime impacts. However, it also raises the issue of the extent and reasons for managers (considered overtime exempt) to receive overtime pay, except in extraordinary circumstances.

This arrangement was made in a July 2022 Side Letter agreement between DSA and SMA (Attachment G), which was designed to allow management (at the rank of Lieutenant through Chief Deputy) to assist with staffing shortages by temporarily backfilling critical staff posts, while receiving compensation at the lower rate of Sergeant top-step pay. It is also addressed in the SMA MOU. (Attachment E, section 16.F.)

According to the Sheriff’s Office response in Attachment C, this practice will cease effective March 1, 2026. However, given the improvements in Sheriff’s Office staffing levels over the past year, particularly in the Custody Branch, the Sheriff’s Office could have exercised its management rights to cease this practice sooner.

*Recommendation:*

It appears this practice will cease; however, the Sheriff’s Office should review its management control practices.

**6. Operational Need for Compensatory Overtime Account**

*Observation:*

Internal Audit noted that use of a Compensatory Overtime Account allows employees to accrue overtime hours to use as leave balances, or to cash out at potentially elevated pay rates, at a later date. Hours banked into an employee’s Compensatory Overtime Account are accrued at 1.5 times overtime hours worked. Internal Audit indicated this practice could potentially lead to operational inefficiencies, overtime “multiplier effects,” and tax compliance issues due to temporary changes in employees’ federal withholding status before payouts.

The use of a Compensatory Overtime Account is allowable per the current DSA MOU, although the MOU language offers management discretion as to whether the time earned is accrued or paid out above 120 hours, stating: “Accrual of overtime in a compensatory overtime account shall be at the discretion of the employee for hours worked up to 120 hours and at the discretion of the Department Head for hours from 121 to 240, subject to the provision that use of accrued overtime later does not result in additional overtime costs.” (DSA MOU section 15.D.) SMA employees do not have the ability to accrue hours in a Compensatory Overtime Account.

*Response:*

Employees assigned to a 24/7 post position accruing overtime hours to a leave balance that they can use similar to vacation leave, requires the department to further incur backfill overtime, which leads to a “multiplier effect.” The impact of this practice is significant, as it perpetuates the need for additional overtime use, given that each 12-hour shift worked generates an accrual at 1.5 times the hours worked for that shift.

According to the Sheriff's Office response in Attachment C, in May 2025 the Sheriff's Office took action and prohibited DSA employees' use (with very limited exceptions) of the Overtime Taken (OTT) time code when its use would result in additional overtime costs to backfill the employee's absence.

*Recommendation:*

Further auditing is needed to confirm to what extent this policy change was successful and whether additional controls are necessary. Additionally, the potential tax compliance issue identified by Internal Audit is still under review. Any changes to the MOU will require provisions through labor negotiations.

**7. Employee Overtime Earnings Higher Than Regular Earnings**

*Observation:*

In FY 2024-25, 29 Sheriff's Office employees earned at least \$1,000 more in overtime pay than in extra help or regular pay (i.e., pay received related to regular hours worked, not related to leave taken, holiday pay, etc.). The top overtime earner was a Custody Deputy who coded 2,298 overtime hours and earned approximately \$170,000 in overtime pay, almost double the employee's base salary of approximately \$103,000 for total pay (including leave and other pay) of approximately \$287,000. For comparative purposes, 2,080 hours is considered the standard annual work hours for one full-time County employee.

The current DSA and SMA MOUs do not appear to address the issue of Sheriff's Office employees earning more in overtime than in regular pay.

*Response:*

According to the Sheriff's Office response in Attachment C, management is taking measures to enhance oversight of overtime assignments, including reducing mandatory overtime in the Custody Branch to the goal of zero shifts by May 2026; maintaining controls of compensatory overtime usage; increasing oversight of other leave balance usage when overtime is necessary; and evaluating demand-based staffing models.

*Recommendation:*

While these are positive actions, they are not directly responsive to Internal Audit's observation. The Sheriff's Office, and other similarly situated departments, should continue to work with HR to identify additional controls and appropriate practices.

**8. Newly Hired Employees Also Working Overtime**

*Observation:*

Internal Audit's analysis shows that 136 out of 184 newly hired Sheriff employees that were onboarded during FY 2023-24 and FY 2024-25 coded overtime at some point over the last two fiscal years, with 27<sup>1</sup> working 500+ overtime hours during FY 2023-24 and FY 2024-25. The current DSA and SMA MOUs do not appear to address the issue of newly hired employees working overtime.

*Response:*

Overtime assignments generally require training certification, and thus new employees would not be anticipated to work overtime until after 6 to 12 months of training.

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<sup>1</sup> Internal Audit's report (Attachment A) indicates 84 newly hired employees worked over 500 hours of overtime; however, it was subsequently determined that this was a data error and the correct number is 27.

According to the Sheriff's Office response in Attachment C, they have identified practices where the amount of overtime used by newly-hired employees in training can be eliminated or substantially reduced, and they have implemented policies to do so, as of October 7, 2025.

*Recommendation:*

The steps taken by the Sheriff's Office will likely address a portion of the overtime in this category, but additional analysis by Internal Audit and monitoring by the Sheriff's Office will be needed to fully address the issue.

**Conclusions and Recommendations:**

Internal Audit determined that based on review of FY 2024-25 Sheriff timesheet, payroll, and general ledger data coupled with the review of Sheriff's Office MOUs, correspondence with the Auditor-Controller Payroll Division, review of industry best practices, and consideration of County budget constraints, it appears that there is the opportunity for improvement over the administration, monitoring, and reporting of Sheriff overtime.

1) The Sheriff's Office should continue to explore and implement additional controls to manage and reduce overtime use to identify and exercise appropriate management controls to mitigate overtime, while building in accountability and tracking so that areas of concern are discovered and addressed at an earlier stage.

Additionally, it is recommended that the Sheriff's Office continue to work with the Auditor-Controller to address concerns related to use of withholding exempt status.

2) The CEO also recommends that the Board direct the Auditor-Controller to conduct further review and/or audit of issues noted in this report and other issues Auditor-Controller feels appropriate regarding the Sheriff's Office use of overtime, to include controls in place and record-keeping recommendations.

In addition, the use of overtime across the County and related management processes should be reviewed by the Auditor-Controller, as some of the issues raised in this report may exist in other departments.

3) Finally, related to the MOUs with the DSA and SMA, the CEO recommends that your Board direct the Human Resources Director to explore available options to increase accountability and control over overtime and compensatory time use and costs through upcoming labor negotiations.

**Fiscal and Facilities Impacts:**

Budgeted: N/A

**Fiscal Analysis:**

Receipt of this report does not result in a direct fiscal impact; however, substantial staff resources were required for the report development and analysis.

Sheriff salary and overtime costs have been trending higher since FY 2021-22. General ledger trend data (below) indicates a substantial increase from FY 2021-22 to FY 2022-23 when overtime costs appear to have essentially increased from the \$8-12 million per year range to the \$18-22 million per year range.

Primarily due to overtime costs in excess of budget, the Sheriff's Office ended the fiscal year with a negative budget position in four of the past five fiscal years, although the General Fund and County overall ended with balanced budgets or surpluses. The FY 2024-25 year-end variance of \$4.4 million shown below was after the release of the \$2 million Proposition 172 set-aside, used to cover training backfill costs.

<b>Actual Costs</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>
Salaries	\$64,183,000	\$65,721,000	\$65,462,000	\$68,026,000	\$75,608,000
Extra Help	\$1,545,000	\$1,901,000	\$2,923,000	\$3,284,000	\$3,388,000
Overtime	\$8,061,000	\$12,400,000	\$21,315,000	\$17,957,000	\$20,410,000
Overtime-Reimbursable	\$374,000	\$562,000	\$543,000	\$697,000	\$656,000
<b>Total</b>	<b>\$74,163,000</b>	<b>\$80,584,000</b>	<b>\$90,243,000</b>	<b>\$89,964,000</b>	<b>\$100,062,000</b>
Overtime % of Salary Costs	11.37%	16.09%	24.22%	20.73%	21.05%
FYE FTE Vacancy Rate	14.84%	17.49%	18.56%	17.07%	14.02%
FYE Net Financial Impact	(\$546,144)	(\$437,699)	(\$1,585,295)	\$31,089	(\$4,424,571)

In the FY 2025-26 first quarter budget status update presented to your Board on December 16, 2025, the CEO’s Office reported overtime costs through the first quarter of the year were \$5.3 million on an annual budget of \$10.1 million, utilizing 52.6% of the full year’s budget. While overtime hours worked have decreased 20% since the start of the fiscal year—from 10,074 hours in pay period 2025-15, to 8,069 hours in pay period 2026-02—the Sheriff’s Office has exceeded its annual overtime budget as of the end of January. If overtime hours remain at the current level, even after the application of \$7.6 million in estimated salary savings (based on the current vacancy rates), overtime costs may increase the year-end deficit to \$9 million, which would eliminate almost the entire projected General Fund surplus for the current fiscal year.

**Attachments:**

- Attachment A** – Auditor FY 2024-25 Sheriff’s Overtime Report Packet (12-12-2025)
- Attachment B** – Sheriff’s Office Overtime Preliminary Response (12-15-2025)
- Attachment C** – Sheriff’s Office Overtime Response (01-26-2026)
- Attachment D** – DSA MOU (03-16-2022 to 06-21-2026)
- Attachment E** – SMA MOU (06-27-2022 to 06-21-2026)
- Attachment F** – DSA Side Letter Doctor’s Note for Sick Usage (01-20-2026)
- Attachment G** – DSA and SMA Side Letter Agreement for Overtime Bid Process (06-24-2022)

**Contact Information:**

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