

COUNTY OF SANTA BARBARA
County Executive Office

Sheriff's Office Overtime Usage Report

FY 2024-25

February 10, 2026



Background

- CEO and your Board requested Auditor-Controller's review and analysis of Sheriff overtime for FY 2024-25.
- Internal Audit conducted a limited-scope engagement (not a full audit) by reviewing employee timesheet and payroll data as well as general ledger cost coding and reporting.
- Upon completing review, Auditor-Controller issued a memorandum to your Board dated December 12, 2025.
- Internal Audit did not engage in direct communications with SBSO or Human Resources, as the necessary data was readily available; as a result, some observations may be addressed with additional context unknown to Internal Audit at the time.
- Data review encompassed 270,970 workdays within 19,355 timesheets submitted in FY 2024-25 by 824 employees.
- The Board of Supervisors cannot direct the operations of the Sheriff's Office.



Fiscal Impacts

- Sheriff salary and overtime costs have trended higher since FY 2021-22, with a substantial increase in FY 2022-23.
- Overtime expense reached \$20.4 million in FY 2024-25.
- Sheriff has ended the fiscal year in the negative in 4 of the past 5 years.
- In FY 2025-26, overtime costs have exceeded 100% of budget at end of January. Although overtime hours have been decreasing, the year-end deficit may reach \$9 million at the current pace.

Actual Costs	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
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
Total	\$74,163,000	\$80,584,000	\$90,243,000	\$89,964,000	\$100,062,000
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)



Changes to Labor Agreements: Negotiations Required

- California law (Meyers-Milias-Brown Act or MMBA) governs what changes must be negotiated with labor group representatives.
- In general, employers must meet and confer with unions in good faith regarding changes in wages, hours, and "other terms and conditions of employment," including changes to overtime pay.
- Some changes to overtime practices require negotiation with the Deputy Sheriff's Association.
- Other changes could be made by Sheriff management under management rights or existing negotiated MOU provisions.
 - Management rights include decisions regarding merits, necessity or organization of County services, staffing levels, hiring decisions, and performance standards.



FLSA vs. MOU Overtime

Fair Labor Standards Act (FLSA) overtime is required by federal law, to ensure employees are fairly compensated when working more than 40 hours in a workweek.

- Unless exempt, employees covered by the Act must receive overtime pay for hours worked over 40 in a workweek at a rate of at least 1.5x regular pay.
- For public safety employees, FLSA allows special provisions, including an extended "work period" (in the case of the County's pay periods) over a 14-day work period to accommodate unique scheduling needs of 24/7 operations.

MOU overtime

is negotiated through labor agreements.

- More liberal than FLSA requirements. For example, MOU allows applying leave time (vacation, holiday, comp time etc.) to reach overtime threshold, while FLSA limits this to actual hours worked.
- Prevalent in County MOUs.
- Sheriff and Fire MOUs allow sick time to be applied toward reaching overtime thresholds.



Observation #1: Use of Leave Balances to Generate Overtime

Sheriff employees used leave balances (sick, vacation, etc.) to complete "time worked" while coding overtime in the same pay period, effectively increasing total overtime hours (occurred in 36% of timesheets; ~\$5.9M costs).

Response:

- Use of vacation leave *as time worked* when calculating overtime is allowed in all County MOUs, and use of sick time *as time worked* when calculating overtime is allowed in Sheriff and Fire MOUs.
- Per HR, these practices are seen in MOUs throughout the State.
- Further analysis of the specific impact of sick time use in Sheriff and Fire, as well as controls in place, is necessary to fully assess how this impacts overtime costs.
- Further review of the general practice of using other leave balances (aside from sick) as "time worked" in the same pay period could also be reviewed if the Board sought a broader scope.



Observation #2: Overtime Coded First on Timesheets

Employees coded overtime at the beginning of the pay period, before regular hours worked; incongruous with the principle that overtime should only apply after regular hours.

Response:

- Overtime shifts must be coded on the day they actually occurred in order to provide accurate budget allocation and reporting of costs. This does not represent an abuse of overtime in itself but may need to be more clearly identified in the payroll system to ensure proper recording of FLSA vs. MOU overtime.
- 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, to properly attribute the need for the overtime cost to the jail instead of patrol.



Observation #3: No Limits on Employee Work Hours

Of total employee workdays, 65,811 (24.3%) exceeded 12 hours; 2,468 exceeded 16 hours; 373 exceeded 19 hours; 72 coded 24 hours.

Response:

- Per SBSO, extended workdays are associated with emergency responses, major incidents, court-mandated appearances, training combined with operational assignments, employees called to active duty while on standby, and “portal-to-portal” compensation (which includes paid travel time to and from the work location).
- Use of standby should be reserved for situations where it is critical that staff be available to return to work immediately should they be needed. It appears standby status was used to trigger portal-to-portal, which contributed to the large number of days exceeding 12 hours.
- Lack of record-keeping makes it difficult to assess the degree to which the above factors contribute or are at play as well as the appropriateness of the shift lengths. Further review and analysis is warranted.



Observation #4: Mandatory Overtime Shift Length Generally Exceeds Regular Shift Length

Mandatory overtime shift length (70% between 14-19 hours) commonly exceeded regular and voluntary overtime shift length (8-12 hours). DSA MOU allows "portal-to-portal" compensation when called to active duty from standby.

Response:

- Per SBSO, effective January 19, 2026, mandatory custody overtime shifts were reduced from 14 to 4 per shift rotation (shift rotations span 16 to 18 weeks).
- Reducing these shifts is a positive change, but does not fully address overuse of standby status, which appears to have contributed to increased overtime hours.
- Further analysis is needed to determine to what degree use of standby could be reduced through greater controls or scheduling options.



Observation #5: Overtime-Exempt Employees with Extra Help Job Assignments

Overtime-exempt management employees (24) worked extra help job assignments (\$715,000) at 1.5x top-step Sgt. pay; coded as “extra help” rather than “overtime.” Allowable per Sheriff’s Manager Association (SMA) MOU but Auditor felt it constituted “hidden overtime.”

Response:

- The Auditor's concern relates to the manner in which the time was coded.
- Due to limitations in the County timecard system, a workaround was created (use of extra help) that inadvertently masked the overtime impacts.
- In July 2022, DSA and SMA entered a side letter agreement to allow over-time exempt management to assist with staffing shortages by filling critical staffing posts. SBSO indicated practice will terminate March 1, 2026.
- Exercising better management oversight could have brought awareness to this practice sooner.



Observation #6: Operational Need for Compensatory Overtime Account

Allows employees to accrue overtime hours to use as leave balances, or to cash out later at potentially elevated pay rates; accrues at 1.5x overtime hours worked. May lead to operational inefficiencies, overtime “multiplier” effects, and tax compliance issues.

Response:

- Employees assigned to a 24/7 post position can accrue (bank) overtime hours earned to a leave balance that they can use similar to vacation leave, requiring the department to further incur backfill overtime.
- The DSA MOU allows employees to bank overtime hours so that they may use them later as time off or cash them out, sometimes at a higher pay (e.g., following a raise).
 - *Employee* has discretion for up to 120 hours
 - *Management* has discretion for 121 to 240 hours
 - However, this is “subject to provision that use of accrued overtime later does not result in additional overtime costs.”
- To address the multiplier effect, in May 2025, SBSO management significantly restricted the use of overtime taken (OTT) when use would result in additional overtime costs.
- Further auditing is needed to confirm the extent to which this was successful and whether additional controls are necessary.
- To address Auditor’s concerns regarding tax compliance, the Sheriff’s Office requested that DSA and SMA leadership advise their members to consult tax professionals before modifying their withholdings.



Observation #7: Employee Overtime Earnings Higher than Regular Earnings

Some employees (29) earned more in overtime pay than in regular pay; top earner received \$170,000 in overtime pay (\$287,000 total pay). Not addressed in DSA or SMA MOUs.

Response:

- SBSO indicated management is taking measures to enhance oversight of overtime assignments, including reducing mandatory overtime in Custody to the goal of zero shifts by May 2026; maintaining controls of compensatory overtime usage; increasing oversight of other leave balance usage; and evaluating demand-based staffing models.
- These are positive actions but not directly responsive to the observation. SBSO and other similarly situated departments should continue to work with HR to identify additional controls and appropriate practices.



Observation #8: Newly Hired Employees Also Working Overtime

Newly hired employees (136 of 184) coded overtime, with 27 working 500+ overtime hours, during past two fiscal years.

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.
- SBSO has identified practices where overtime associated with newly-hired employees was occurring and indicated they have implemented policies to eliminate or reduce these practices as of October 7, 2025.



Recommended Next Steps

- 1) Request that SBSO continue to explore and implement additional controls to manage and reduce overtime use by:
 - Identifying and exercising appropriate management controls, while building in accountability and tracking so that areas of concern are discovered and addressed at an earlier stage
- 2) Direct the Auditor-Controller to:
 - Conduct further review and/or audit of issues noted in this report and other issues as appropriate regarding SBSO's use of overtime, to include controls in place and record-keeping recommendations
 - Review use of overtime across the County and related management practices to determine where issues exist in other departments
- 3) 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



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 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.

