



# Office of the Auditor-Controller

County of Santa Barbara  
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## Memorandum

**Date:** December 12, 2025

**To:** Mona Miyasato, County Executive Officer

**From:** Betsy M. Schaffer, CPA, CFE, CPFO, Auditor-Controller  
Joel Boyer, CPA, Internal Audit Chief

**Subject:** Data Analysis of FY 2024-25 Sheriff's Office Overtime

**CC:** Bill Brown, Sheriff-Coroner  
Rachel Van Mullem, County Counsel  
Kristine Schmidt, Human Resources Director  
Paul Clementi, Budget Director  
C. Edwin Price, Jr, CPA, CPFO, Assistant Auditor-Controller  
Jonathan Rodriguez, CPA, CFE, Internal Audit Supervisor

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### **BACKGROUND:**

Due to a trend of increasing costs associated with Sheriff's Office (Sheriff) employee salaries and overtime pay, the County Executive Office (CEO) and Board of Supervisors (Board) requested that the Office of the Auditor-Controller review and analyze Sheriff timekeeping and payroll activity, specifically as it pertains to overtime, for fiscal year (FY) 2024-25.

As a result, the Internal Audit Division of the Office of the Auditor-Controller 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 time keeping and overtime practices were not performed.

The data collection, review and analysis was limited in scope to quantifying Sheriff 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. Accordingly, Internal Audit did not engage in direct communications with the Sheriff or the Human Resources Department, as the necessary data was readily available to Internal Audit. As a result, some of the observations noted herein may be addressed by context or processes that were not known to Internal Audit at the time of reporting.

Supplemental procedures were also performed related to the review of the Deputy Sheriffs' Association (DSA) and the Sheriff's Manager Association (SMA) Bargaining Unit Memorandums of Understanding (MOUs) as well as industry best staffing and overtime practices. It should be noted that the Sheriff 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 employees, the primary focus was related to sworn deputies, custody deputies, and Sheriff management as SEIU 620 employees only accounted for approximately 10% of total overtime costs. Furthermore, it is acknowledged that some of the observations noted in this report may not be specific to the DSA and/or SMA MOUs and may also be applicable to other County MOUs.

For the purposes of this review, it is important to differentiate between Fair Labor Standards Act (FLSA) overtime and MOU overtime. FLSA overtime is overtime that is required by Federal law based on total and actual hours worked to ensure that employees are compensated fairly when they work in excess of 40 hours in a workweek. For law enforcement, the 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 recognize and accommodate the unique scheduling needs of 24-hour operations. MOU overtime is negotiated compensation through labor agreements, which can be more liberal than FLSA requirements. However, it is important to understand that under the FLSA, employee compensation (including overtime) is driven solely by the actual hours an employee works and any qualifying paid leave within the fixed FLSA work period, not by the employee's work schedule.

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 employees and resulted in eight (8) preliminary observations with related considerations for policy and operational improvement.

A detailed report of the preliminary observations and associated considerations for management related to this memorandum is attached as Attachment A. In addition, a summary of relevant Sheriff timesheet earning codes is attached as Attachment B.

## **OBSERVATIONS:**

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

A recurring pattern was identified in which Sheriff employees used leave balances (vacation, sick, or other leave) to complete "time worked" hours requirements associated with their standard FLSA work period while simultaneously coding overtime hours in the same period. This practice seems to effectively increase total overtime hours and was identified in 6,913, or 35.7%, of all timesheets, resulting in an estimated \$5.9 million in FY 2024-25 overtime costs.

The 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.

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

It was frequently observed that Sheriff employees coded overtime at the beginning of their standard FLSA work periods, before any regular hours were worked, distorting overtime reporting and being 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.

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

Timesheet analysis revealed that 65,811, or 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, limits on overtime or total hours worked on a daily, weekly, pay period, monthly, or annual basis do not appear to be otherwise addressed in the current DSA or SMA MOUs.

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

It was commonly observed that the length of mandatory overtime shifts regularly exceeded the length of regular, or normal, shifts. The length of mandatory overtime shifts also appear to generally exceed the length of voluntary, and other, overtime shift types. Regular Sheriff employee shifts are primarily 8, 10, or 12 hours in length, which makes it questionable as to 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 (2) hours of work time. However, it is unclear whether these MOU inclusions are applicable to mandatory overtime or if they contribute to the unusual length of mandatory overtime shifts.

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

During FY 2024-25, Twenty-four (24) overtime-exempt Sheriff Managers, including ranks up to Chief Deputy, worked Extra Help job assignments earning approximately \$715,000, representing 21% of all FY 2024-25 Extra Help costs, in additional pay. 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.

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” work and pay, not “Extra Help” work and pay.

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

The 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 1.5x overtime hours worked. 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. SMA employees do not have the ability to accrue hours in a Compensatory Overtime Account; therefore, it is not addressed in the current SMA MOU.

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

Twenty-nine (29) Sheriff employees earned at least \$1,000 more in overtime pay than in regular pay (in this instance, regular pay is considered pay received related to regular hours worked and excludes pay related to leave taken, holiday pay, etc.) or extra help pay during FY 2024-25. The top overtime earner was a Custody Deputy that coded 2,298 overtime hours and earned approximately \$170,000 in overtime pay, representing almost double the employee's base salary of approximately \$103,000 as their total pay (including leave and other pay) was approximately \$287,000. For comparative purposes, 2,080 hours is considered the standard annual work hours for one full-time County employee.

Sheriff employees earning more in overtime pay than in regular pay does not appear to be addressed in the current DSA or SMA MOUs.

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

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 84 working 500+ overtime hours during FY 2023-24 and FY 2024-25.

Newly hired employees working overtime does not appear to be addressed in the current DSA or SMA MOUs.

### ***Conclusion:***

Internal Audit determined that based on review of FY 2024-25 Sheriff timesheet, payroll, and general ledger data coupled with the review of Sheriff 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.



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### **ATTACHMENT A:**

## **Data Analysis of Fiscal Year (FY) 2024-25 Sheriff's Office Overtime Detailed Report**

### **SUMMARY:**

The Internal Audit Division (Internal Audit) of the Office of the Auditor-Controller performed a review of Sheriff's Office (Sheriff) timesheet, payroll, and general ledger data at the request of the County Executive Office (CEO) and Board of Supervisors (Board). The objective of this review was to perform data collection, review, and analysis to effectively report on Sheriff timekeeping practices and costs for fiscal year (FY) 2024-25, specifically as it pertains to overtime. This report includes eight (8) preliminary observations and considerations for management in their prospective administration, monitoring, and reporting of Sheriff overtime.

Internal Audit conducted a limited-scope review; this engagement does not constitute an audit. Detailed testing to evaluate compliance with County policies, contractual obligations, or the effectiveness of internal controls were not performed.

Procedures were limited to data collection, review, and analysis of Sheriff employee timesheet and payroll data as well as general ledger cost coding and reporting. Accordingly, Internal Audit did not engage in direct communications with the Sheriff or the Human Resources Department, as the necessary data was readily available to Internal Audit. As a result, some of the observations noted herein may be addressed by context or processes that were not known to Internal Audit at the time of reporting.

Additionally, supplemental procedures were performed in order to analyze the allowability of overtime per Sheriff Memorandums of Understanding (MOUs), in particular, the MOUs for the Deputy Sheriffs' Association (DSA; Bargaining Units 14<sup>i</sup> & 15<sup>ii</sup>) and the Sheriff's Manager Association (SMA; Bargaining Unit 44<sup>iii</sup>), as well as the reasonableness of Sheriff timekeeping practices in relation to industry best staffing and overtime practices. It should be noted that the Sheriff 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 employees, the primary focus was related to sworn deputies, custody deputies, and Sheriff management as SEIU 620 employees only accounted for approximately 10% of total overtime costs. Furthermore, it is acknowledged that some of the observations noted in this report may not be specific to the DSA and/or SMA MOUs and may also be applicable to other County MOUs.

Finally, for the purposes of this review, it is important to differentiate between Fair Labor Standards Act (FLSA) overtime and MOU overtime. FLSA overtime is overtime that is required by Federal law based on total and actual hours worked to ensure that employees are compensated fairly when they work in excess of 40 hours in a workweek. For law enforcement, the 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 recognize and accommodate the unique scheduling needs of 24-hour operations. MOU overtime is negotiated compensation through labor agreements, which can be more liberal than FLSA requirements. However, it is important to understand that under the FLSA, employee compensation (including overtime) is driven solely by the actual hours an employee works and any qualifying paid leave within the fixed FLSA work period, not by the employee's work schedule.

Supporting documentation relating to the preliminary observations in this report is available upon request.

**BACKGROUND:**

Sheriff salary and overtime costs have been trending higher since FY 2021-22. Seven (7) year general ledger trend data (see tables below) indicate a substantial increase taking place from FY 2021-22 to FY 2022-23 when overtime costs appear to have essentially increased from the \$8-12 million/year range to the \$18-\$22 million/year range.

FY 2024-25 Sheriff Salary Costs						
FIN Line Item Account	Budget -		Actual (Act)	Variance		Variance Act to Adj
	Adopted (Ado)	Adjusted (Adj)		Adj to Ado	Act to Ado	
LiAcct 6100 - Regular Salaries	\$ 82,266,000	\$ 88,868,000	\$ 75,608,000	\$ 6,602,000	\$ (6,658,000)	\$ (13,260,000)
LiAcct 6200 - Extra Help and/or Labor	\$ 1,282,000	\$ 1,282,000	\$ 3,388,000	\$ -	\$ 2,106,000	\$ 2,106,000
LiAcct 6300 - Overtime	\$ 5,181,000	\$ 8,919,000	\$ 20,410,000	\$ 3,738,000	\$ 15,229,000	\$ 11,491,000
LiAcct 6301 - Overtime-Reimbursable	\$ 937,000	\$ 937,000	\$ 656,000	\$ -	\$ (281,000)	\$ (281,000)
<b>TOTAL</b>	<b>\$ 89,666,000</b>	<b>\$ 100,006,000</b>	<b>\$ 100,062,000</b>	<b>\$ 10,340,000</b>	<b>\$ 10,396,000</b>	<b>\$ 56,000</b>
TOTAL-Overtime	\$ 6,118,000	\$ 9,856,000	\$ 21,066,000	\$ 3,738,000	\$ 14,948,000	\$ 11,210,000
Overtime % of Total Salary Costs	6.82%	9.86%	21.05%			

Actual Sheriff Salary Costs 7-Year Trend							
FIN Line Item Account	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
LiAcct 6100 - Regular Salaries	\$ 58,293,000	\$ 61,736,000	\$ 64,183,000	\$ 65,721,000	\$ 65,462,000	\$ 68,026,000	\$ 75,608,000
LiAcct 6200 - Extra Help and/or Labor	\$ 2,404,000	\$ 1,969,000	\$ 1,545,000	\$ 1,901,000	\$ 2,923,000	\$ 3,284,000	\$ 3,388,000
LiAcct 6300 - Overtime	\$ 10,191,000	\$ 9,843,000	\$ 8,061,000	\$ 12,400,000	\$ 21,315,000	\$ 17,957,000	\$ 20,410,000
LiAcct 6301 - Overtime-Reimbursable	\$ 968,000	\$ 744,000	\$ 374,000	\$ 562,000	\$ 543,000	\$ 697,000	\$ 656,000
<b>TOTAL</b>	<b>\$ 71,856,000</b>	<b>\$ 74,292,000</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>
TOTAL-Overtime	\$ 11,159,000	\$ 10,587,000	\$ 8,435,000	\$ 12,962,000	\$ 21,858,000	\$ 18,654,000	\$ 21,066,000
Overtime % of Salary Costs	15.53%	14.25%	11.37%	16.09%	24.22%	20.73%	21.05%
FYE FTE Vacancy Rate	17.72%	14.79%	14.84%	17.49%	18.56%	17.07%	14.02%

**RESULTS:**

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

Please refer to the Observations section, beginning below, for details on Internal Audit’s eight (8) observations and the related considerations for management.

**OBSERVATIONS:**

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

Per analysis of 19,355 timesheets completed by 824 unique Sheriff employees during FY 2024-25, a pattern of overtime resulting from the use of leave balances was identified. It should be noted that per certain Sheriff MOUs, leave balances taken, such as vacation leave and sick leave, is considered “time worked” for FLSA overtime calculation purposes. However, this practice results in Sheriff employees being paid overtime even when they have worked less, in some instances far less, than a standard 80-hour FLSA work period (when not considering leave, such as vacation leave or sick leave, as “time worked”). It should be noted that out of all County MOUs it appears that only the DSA MOU and the Fire Fighters, Local 2046 MOU allow the inclusion of sick leave as “time worked” for FLSA overtime calculation purposes.

As a simplified example of this practice, a Sheriff employee could submit a timesheet with 40 regular hours worked while also coding 40 hours of leave taken (such as vacation leave, sick leave, accrued overtime hours, military leave, etc.) to get to 80 hours “time worked” while also coding 40 hours of overtime. In this example, the employee only actually worked 80 hours (the standard for biweekly County pay period hours) consisting of 40 regular hours + 40 overtime hours but was paid for 80 hours at their normal pay rate in addition to being paid for 40 hours of overtime at 1.5x their normal pay rate. In the simplified example above, the employee essentially worked a normal biweekly schedule of hours and, as such, the employee could have instead coded 80 regular hours, zero overtime hours, and no use of leave balances. For the purposes of this memo, the “True OT” in the above example is zero (0) hours while the “Coded OT” is 40 hours.

During FY 2024-25, 6,913, or 35.7%, of all Sheriff employee timesheets had leave balances coded that allowed for the employees to work less than 80 regular hours (when not considering or counting leave taken, such as vacation or sick, as “time worked”) while simultaneously coding overtime. Notably, there were 16 timesheets that had zero (0) regular hours worked yet employees were able to code overtime via usage of 80 hours of leave balances to fill out the necessary “time worked” hours on their timesheets to qualify for FLSA overtime. This means that employees were able to code, and get paid for, overtime without working any of their regular normally scheduled hours. The breakdown of timesheets with less than 80 regular work hours that also had overtime coded is as follows<sup>vii</sup>:

FY 2024-25 Sheriff Timesheets With Less Than 80 Regular Work Hours But Overtime is Coded		
Timesheet Hour Thresholds	# of Timesheets	% of Timesheets
0 Regular Work Hours w/ OT	16	0.1%
0.1-9.9 Regular Work Hours w/ OT	14	0.1%
10-19.9 Regular Work Hours w/ OT	57	0.3%
20-29.9 Regular Work Hours w/ OT	138	0.7%
30-39.9 Regular Work Hours w/ OT	403	2.1%
40-49.9 Regular Work Hours w/ OT	754	3.9%
50-59.9 Regular Work Hours w/ OT	772	4.0%
60-69.9 Regular Work Hours w/ OT	2,210	11.4%
70-79.9 Regular Work Hours w/ OT	2,549	13.2%
Total	6,913	35.7%

On a more micro level, there were 118 total instances during FY 2024-25 in which a Sheriff employee coded leave taken and overtime on the same day, seemingly taking vacation from their normal job duties to work overtime at time and a half pay. Comments on various employee timesheets specify as much as there are notes indicating employees are using leave balances in order to work overtime shifts.

If leave balances were not considered “time worked” or used in the calculation of overtime hours and “Coded OT” was brought into alignment with “True OT” during FY 2024-25 then Sheriff overtime costs could potentially have been reduced by approximately \$5.9 million<sup>viii</sup>.

Allowable per MOU? Yes, per Section 15 (B) of the current DSA MOU, for the purposes of computing overtime, all regular, scheduled work hours including paid leave time shall be considered time worked.

This observation is not addressed in the current SMA MOU as SMA employees are not overtime eligible per the FLSA.

Considerations for Management: The current DSA MOU (and other applicable County MOUs) could be revised so that use of leave balances is not considered “time worked” and there is no variance between “True OT” and “Coded OT”. At the least, the current DSA MOU (and the current Fire Fighters, Local 2046 MOU) could be updated to align with other County MOUs and not allow the inclusion of sick leave as “time worked” for FLSA overtime calculation purposes.

Within reason, Sheriff employees could be required to work their regularly scheduled hours prior to coding overtime. Supervisors could be trained to identify timesheet anomalies and potential misuse of leave that may not only artificially generate overtime for one employee but could also result in additional overtime, due to shift backfill, for multiple employees via a cascading effect.

**2. Overtime Coded First on Timesheets**

Per analysis of FY 2024-25 Sheriff employee timesheets a trend of Sheriff employees coding overtime hours before any other hours (including regular work hours) had been coded was identified. It is not presently clear to Internal Audit as to why there appears to be a general Sheriff practice that allows employees to begin FLSA work periods, which align with the County’s pay periods, by coding overtime hours first as this does not appear to align with the calculation of overtime per the FLSA.

Allowable per MOU? Unclear, per the 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<sup>x</sup>, and as such overtime should not be coded, and cannot be earned, until that threshold has been met and exceeded.

This observation does not appear to be applicable to the current SMA MOU as SMA employees are not overtime eligible per the FLSA.

Considerations for Management: It is suggested that overtime hours should not be coded by Sheriff employees on their timesheets until they at least meet the requirements related to FLSA overtime. General understanding of overtime would reflect that an employee should not be able to begin coding overtime for the first hours they work in FLSA work period (County pay period), before any regular hours have been worked. As noted in the Summary section of this report: employee compensation (including overtime) is driven solely by the actual hours an employee works and any qualifying paid leave within the fixed FLSA work period, not by the employee’s work schedule. As such, it is proposed that the DSA MOU be modified to align the meaning of “work period” and “pay period” related to FLSA overtime requirements for clarity purposes, and to prevent any confusion as to what constitutes overtime and when it should be coded.

**3. No Limit on Employee Work Hours**

Sheriff employees completed 19,355 timesheets during FY 2024-25, containing 270,970 total days. 65,811, or 24.3%, of all total possible days worked were in excess of 12 hours and 373 total days were worked in excess of 19 hours, with 72 of those days representing a day in which an employee worked/was paid for 24 hours. It should be noted that 51 of the aforementioned 24-hour days appear to be the result of Air Support Unit personnel deployed to fire emergencies, which is allowable per Section 15 (M) of the current DSA MOU. However, it also appears that MOU section potentially may have been broadly interpreted in certain instances, resulting in excess overtime potentially being paid<sup>xiii</sup> to Sheriff Air Support Unit employees.

FY 2024-25 Sheriff Days Worked by Hour Threshold		
Daily Timesheet Hour Threshold	# of Days	% of Days
24 Hour Days	72	0.0%
19-23.9 Hour Days	301	0.1%
16-18.9 Hour Days	2,095	0.8%
14-15.9 Hour Days	9,354	3.5%
12.5-13.9 Hour Days	10,604	3.9%
12-12.4 Hour Days*	43,385	16.0%
Total	65,811	24.3%

\*Some Sheriff employees are assigned to a compressed work schedule that includes 12-hour shifts. However, 12-hour shifts are still in excess of shift length as recommended by studies and industry best practices.

Allowable per MOU? Yes, for some employees, unclear for others. Per Section 15(N)(4) of the current DSA MOU, Communications Dispatchers are limited to a maximum of 22.9 hours of “regularly scheduled” overtime in each County pay period. However, limits on overtime or total hours worked on a daily, weekly, pay period, monthly, or annual basis do not appear to be otherwise addressed in the current DSA or SMA MOUs.

Considerations for Management: It is suggested that, where possible, the Sheriff identify and implement industry best practices related to shift length and overtime limitations.

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

Per analysis of Sheriff FY 2024-25 employee timesheet data, it was noted that many employees work “mandatory overtime” shifts. These mandatory overtime shifts generally appear to be longer than an employee’s regular shift, or even voluntary or other overtime shift types, and primarily were between 14 and 16 hours in length. Regular Sheriff employee shifts are mostly eight (8), 10, or 12 hours in length, which makes it questionable as to why mandatory overtime shifts commonly are lengthier.

Timesheet analysis indicated that there were 5,235 mandatory overtime shifts worked (see table on next page) by Sheriff employees in FY 2024-25, of which 3,765, or 72%, exceeded 12 hours in length. Furthermore, 3,682, or 70%, of all mandatory overtime shifts were between 14 and 19 hours in length.

<b>FY 2024-25 Sheriff Sheriff Mandatory Overtime Shift Length Analysis</b>		
<b>Mandatory OT Shift Length Thresholds</b>	<b># of Mandatory OT Shifts</b>	<b>% of Mandatory OT Shifts</b>
Less than 12 Hours	1,470	28.1%
12-13.9 Hours	83	1.6%
14-15.9 Hours	3,633	69.4%
16-19 Hours	49	0.9%
Total	<u>5,235</u>	<u>100.0%</u>

Allowable per MOU? Mandatory overtime is only specifically referenced in the current DSA MOU related to regularly scheduled overtime in the Communications Dispatch Center<sup>xiv</sup>. However, the current DSA MOU allows provisions for “portal to portal” compensation when employees are called to active duty while on stand-by duty status. In addition, off duty employees called to active duty are also given credit for at least two (2) hours of work time. It is unclear whether these MOU inclusions are applicable to mandatory overtime or if they contribute to the unusual length of mandatory overtime shifts.

Mandatory overtime does not appear to be applicable to the current SMA MOU.

Considerations for Management: The Sheriff might examine the ongoing need for mandatory overtime as vacant positions are filled. Furthermore, it is recommended that if the mandatory overtime practice continues, shifts are in line with the normal shift lengths that employees cover. For example, if an employee is working a mandatory overtime shift that would normally be filled by an employee that works eight (8) hour shifts, it seems reasonable that the mandatory overtime shift would also be eight (8) hours, not 15 hours.

Finally, due to the prevalence of mandatory overtime, if the practice continues then it is recommended to amend the current DSA MOU accordingly to provide parameters surrounding its usage.

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

It appears that overtime exempt Sheriff Managers, represented in the current SMA MOU, provide shift coverage by working available voluntary overtime typically worked by employees in classifications represented by the DSA. Compensation for this overtime work is at a rate that is equal to 1.5x the applicable top step Custody Sergeant (\$88.942/hour overtime rate) or Sheriff's Sergeant (\$100.926/hour overtime rate) base rate. As Sheriff Managers are exempt from FLSA overtime compensation they are taking on Extra Help job assignments to be able to work available voluntary overtime. Per research, Sheriff Managers typically transition from using overtime as a non-exempt employee to utilizing an Extra Help job assignment for available voluntary overtime purposes as an exempt employee within a few months of making the shift to management.

During FY 2024-25 there were 24 Sheriff Managers with Job Classes ranging from Custody Lieutenant (\$71.096/hour base rate) to Chief Deputy Sheriff (\$116.157/hour base rate) that utilized an Extra Help job assignment in order to work available voluntary overtime.

Sheriff Managers with Extra Help job assignments complete two (2) separate timesheets every pay period, one for their Regular job assignment and one for their Extra Help job assignment which limits transparency related to hours worked as total hours are not reviewed in aggregate on a single timesheet. In addition, timesheet system configurations only allow the ability to edit check each timesheet individually rather than in total.

The 24 Sheriff Managers that worked Extra Help job assignments during FY 2024-25 worked a total of 7,417 Extra Help hours at a total cost of approximately \$715,000. In effect, this practice seems to mask "hidden overtime" as the \$715,000 total cost was included on the general ledger in the 6200-Extra Help account and wasn't included as overtime costs in the 6300-Overtime account despite being specifically referred to as voluntary overtime in the current SMA MOU.

The \$715,000 total cost of Sheriff Manager Extra Help job assignments represent 21% of all FY 2024-25 Sheriff Extra Help costs.

Allowable per MOU? 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" work and pay, not "Extra Help" work and pay. This observation does not appear to be applicable to the current DSA MOU.

Considerations for Management: This practice was allowed effective FY 2022-23 resulting in a significant increase in Extra Help costs from FY 2021-22 onward (see the *Actual Sheriff Salary Costs 7-Year Trend Table* on page A-2). Whether intentional or not, this practice effectively masks the costs of voluntary overtime being paid to otherwise exempt Sheriff Managers. In addition, timekeeping limitations that necessitate the use of multiple timesheets for employees with Regular and Extra Help job assignments may lead to difficulties in performing adequate reviews of an employee's total hours worked in a given County pay period.

As a result, it is recommended that the current SMA MOU is modified to cease the practice of allowing overtime exempt Sheriff Managers to work available voluntary overtime via Extra Help job assignments. If Sheriff Managers are allowed to continue having the option to work available voluntary overtime, then a specific overtime earning code could be created to allow for inclusion of overtime hours on the employee's primary timesheet. This would enable proper tracking and reporting of overtime hours and would ensure timesheet guidelines are adhered to in relation to the SMA MOU provision that allows employees to work available voluntary overtime.

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

Overtime eligible DSA law enforcement employees generally have the option to be paid at 1.5x their normal pay rate for overtime hours worked or they may choose to accrue overtime hours worked as hours in a Compensatory Overtime Account, banking hours for future leave usage or cash payout, at the accrual rate of 1.5x overtime hours worked.

In regard to the use of accrued overtime hours as leave balances, other employees typically need to backfill the time-off being taken, while also potentially getting paid overtime to do so, essentially creating an overtime multiplier effect. In addition, employees often use accrued leave balances to take time off while working overtime in the same pay period (Observation #1), further magnifying the overtime multiplier effect.

In regard to the cash payout aspect of accrued overtime hours, it has been noted that, when possible, employees time their cash payouts to coincide with salary increases such as cost-of-living adjustments (COLAs), step increases/promotions, and shift differential pay in order to maximize their payouts. In addition, per discussions with the Auditor-Controller Payroll Division, it was also noted that Sheriff employees typically temporarily change their Federal Withholding status to 'exempt'<sup>xvi</sup> prior to receiving a cash payout for hours banked in their Compensatory Overtime Accounts, which appears to be in violation of IRS law.

Allowable per MOU? Yes, per Section 15 (D) – (F) of the DSA MOU, employees are allowed to accrue a maximum allowable balance of 240 overtime hours which represents 160 hours of overtime worked at time and a half (160 hours worked x 1.5 = 240 hours accrued) in a Compensatory Overtime Account. However, while the accrual of overtime is at the discretion of the employee for hours up to 120, it is at the discretion of the Sheriff for accrued hours from 121 to 240, subject to the provision that use of accrued overtime later does not result in additional overtime costs. It should be noted that the DSA MOU is the only County MOU that allows overtime hours accrual at the employee's discretion. Finally, per Observation #1, it appears that Compensatory Overtime Account balances that are being used for leave balance purposes may be resulting in additional overtime costs via an overtime multiplier effect.

This observation does not appear to be applicable to the SMA MOU.

Considerations for Management: It is recommended that this practice be examined for operational need as it appears it may be open to potential misuse. If the practice is allowed to continue, it is also recommended that the current DSA MOU be modified to align with other County MOUs in that accrual of hours in a Compensatory Overtime Account is solely at the discretion of the department director.

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

As previously noted, 824 unique Sheriff employees submitted timesheets during FY 2024-25, of which 650 of those unique Sheriff employees worked overtime at some point during the fiscal year.

2,080 hours is considered the standard annual work hours for one full-time County employee yet several extreme overtime workers approached, or even exceeded, that mark in overtime hours alone with the top Sheriff overtime worker coding 2,298 hours of overtime and earning approximately \$170,000 in overtime compensation during FY 2024-25 as a result. This employee had a regular hourly rate of \$49.527 at the end of the fiscal year and earned approximately \$77,000 in regular pay, yet their total FY 2024-25 earnings (including leave and other pay) amounted to approximately \$287,000. Getting paid at their regular rate for a standard 2,080-hour work year would have yielded pay of approximately \$103,000.

Overall, there were 29 Sheriff employees that had overtime earnings that exceeded their regular (in this instance, regular earnings is considered pay received related to regular hours worked and excludes pay related to leave taken, holiday pay, etc.) and/or extra help earnings by at least \$1,000 during FY 2024-25. In aggregate, these 29 employees were paid approximately \$2,296,000 in regular and extra help pay while also receiving approximately \$2,989,000 in overtime pay. 15 of these employees received at least \$20,000 more in overtime pay than they did in regular and/or extra help pay.

Looking at overtime costs at the pay period level, there were multiple instances in which an employee was paid up to 5x their regular salary due to overtime compensation. During the review it was noted that a Custody Deputy with a \$56.636 regular hourly rate was paid a total of approximately \$24,000 for one County pay period. The employee’s pay breakdown consisted of approximately:

- \$12,000 for 142 overtime hours worked
- \$7,000 for Compensatory Overtime Account balance cash payout of 120 accrued hours
- \$4,000 for 71 regular hours worked
- \$500 for 9 hours of leave taken
- \$500 in other pay

For this single County pay period, this employee received approximately \$19,000, or 79% of their total paycheck, in overtime pay and only received approximately \$5,000, or 21% of the total paycheck, in regular and other pay. Excluding the Compensatory Overtime Account balance cash payout this employee still earned approximately \$17,000 in a single pay period.

For additional context, see the tables below that represent thresholds for FY 2024-25 Sheriff total overtime hours worked, and related overtime pay amounts, by employee count and percentage.

Total Overtime Hours Worked by Threshold	# of Employees	% of Employees
0 Overtime Hours	155	18.8%
>0-500 Overtime Hours	439	53.3%
501-1,000 Overtime Hours	188	22.8%
1,001-1,500 Overtime Hours	35	4.2%
1,501-2,000 Overtime Hours	6	0.7%
2,001-2,300 Overtime Hours	1	0.1%
TOTAL	824	100.0%

Total Overtime Pay by Threshold	# of Employees	% of Employees
\$0 Overtime Pay	150	18.2%
>\$0-\$25,000 Overtime Pay	343	41.6%
\$25,001-\$50,000 Overtime Pay	171	20.8%
\$50,001-\$75,000 Overtime Pay	117	14.2%
\$75,001-\$100,000 Overtime Pay	27	3.3%
\$100,001-\$125,000 Overtime Pay	9	1.1%
\$125,001-\$150,000 Overtime Pay	3	0.4%
\$150,001-\$175,000 Overtime Pay	4	0.5%
TOTAL	824	100.0%

Allowable per MOU? This observation does not appear to be addressed in the DSA or SMA MOUs.

Considerations for Management: It is recommended that, outside of emergencies or disasters, managerial oversight is applied to limit overtime by day, week, pay period, monthly, and annually in order to prevent extreme overtime accumulation at an individual employee level.

## 8. Newly Hired Employees Also Working Overtime

Per data provided by the Auditor-Controller Payroll Division, the Sheriff hired 184 new employees over the course of FY 2023-24 and FY 2024-25. Although not necessarily indicative of how productive an employee is, of the 184 new hires there were 136 that coded overtime at some point over the two fiscal years. 84 of the newly hired employees worked over 500 hours of overtime while eight (8) of them worked more than 1,000 hours of overtime during the two fiscal years.

Allowable per MOU? This observation does not appear to be addressed in the DSA or SMA MOUs.

Considerations for Management: It is recommended that the Sheriff examine the overtime requirements of newly hired employees and what impact the overtime for these new hires have on overall departmental overtime.

### **CLOSING REMARKS:**

Based on the analytical procedures performed and the data available, Internal Audit believes the results presented in this report accurately reflect the information collected, reviewed, and analyzed.

This limited-scope review was conducted for informational purposes to assist management in understanding Sheriff timekeeping practices and costs, particularly as it pertains to overtime. This engagement was not an audit, and no assurance or opinion is expressed regarding the adequacy of internal controls or compliance with County policies.

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### **Endnotes**

<sup>i</sup> [Deputy Sheriff's Association \(DSA\) – Law Enforcement, Non-Supervisory](#)

<sup>ii</sup> DSA – Law Enforcement, Supervisory (NOTE: Bargaining Unit 14 and 15 have the same MOU)

<sup>iii</sup> [Sheriff's Manager Association \(SMA\) – Law Enforcement, Management](#)

<sup>vii</sup> FY 2024-25 Employee Self Service Plus (ESS+) Timesheet Data; PP202415-PP202514; All Sheriff Employees

<sup>viii</sup> \$5.9 million was determined based on calculations based off employee overtime hourly rates multiplied by leave balances taken that could have been filled by true working hours.

<sup>ix</sup> Per the Law Enforcement Safety 7(k) Work Period exemption in the [County of Santa Barbara Designated Work Period Form](#) that is required to be completed by employees in various Sheriff Job Classes.

<sup>xiii</sup> Per current DSA MOU Section 15 (M), "Employees assigned as pilots (including those in the classification of Air Support Pilot) or crew chiefs in the Air Support Unit and deployed to a fire emergency incident shall be considered on duty from the time they leave for the incident until the time they return from the incident (portal to portal). All hours spent in response to such incidents will be considered as hours worked for the employees so assigned, and they shall be compensated in accordance with the other overtime provisions of this MOU." However, only 18 of the 51 24-hour Air Support Unit days appear to be related to a pilot. The other 33 days are related to an Air Support Deputy and an Air Support Mechanic, of which neither Job Class appear to be Air Support Pilots or crew chiefs. Furthermore, it appears that the MOU provisions may not have been adhered to in terms of what constitutes a "fire emergency".

<sup>xiv</sup> DSA MOU Section 15 (N) (6).

<sup>xvi</sup> IRS Form W-4 is used to determine Federal income tax withholding. It can also be used to claim complete exemption from all Federal income tax withholding, i.e. Payroll will not withhold any Federal income tax from the employee's paycheck. An employee can only qualify for exempt status if they had no federal income tax liability in the previous tax year and they expect to have no Federal income tax liability in the current tax year.



# Office of the Auditor-Controller

County of Santa Barbara  
*One Office. One County. One Future.*

Betsy M. Schaffer, CPA  
Auditor-Controller

C. Edwin Price, Jr., CPA  
Assistant Auditor-Controller

## **ATTACHMENT B:**

### **Summary of Relevant Sheriff Timesheet Earning Codes**

#### **REGULAR EARNINGS CODES**

##### REG – Regular Pay

REG is used to record hours worked, and to pay for the hours worked, for regular full or part-time County employees. In the County payroll system, REG hours plus various other codes make up the employee's work schedule and are included as "regular earnings". Fiscal Year (FY) 2024-25 costs associated with this Earning Code were included in General Ledger (GL) Line-Item Account (LiAcct) 6100-Regular Salaries.

#### **REGULAR EARNINGS – LEAVE BALANCES CODES**

##### HLB – Holiday Leave

HLB is used by employees to take accrued holiday leave balances off while still receiving pay. Balances are accrued using *HOA - Holiday Accrual*. FY 2024-25 costs were included in GL LiAcct 6100-Regular Salaries.

##### HOL – Holiday Taken Off

HOL is used to record hours taken off on a scheduled holiday. For regular employees when a holiday falls on the normal workday, and the employee does not work. FY 2024-25 costs were included in GL LiAcct 6100-Regular Salaries.

##### MIL – Military Paid Leave

MIL is used to pay and report/track military leave while on temporary military duty. It is most commonly used by employees who have military reserve duty obligations. MIL is limited to 176 hours per fiscal year. FY 2024-25 costs were included in GL LiAcct 6100-Regular Salaries.

##### PSL – Personal Sick Leave Pay

PSL is used to record sick leave taken off on a scheduled workday. PSL is used to care for immediate family members of a designated person (with restrictions). FY 2024-25 costs were included in GL LiAcct 6100-Regular Salaries.

### SCK – Sick Leave Pay

SCK is used to record sick leave taken off when an employee is ill, injured, or for a personal medical appointment. FY 2024-25 costs were included in GL LiAcct 6100-Regular Salaries.

### VAC – Vacation (Taken Off)

VAC is used to record employee vacation leave taken off. FY 2024-25 costs were included in GL LiAcct 6100-Regular Salaries.

## **EXTRA HELP CODES**

### EXH – Extra Help

EXH is used to pay Extra Help employees for normal hours worked. Extra Help employees are subject to the same FLSA overtime laws that regular County employees are subject to, so hours worked beyond 40 in a seven-day work period will be overtime. FY 2024-25 costs were included in GL LiAcct 6200-Extra Help and/or Labor.

## **OVERTIME CODES**

### EOT – Overtime FLSA Extra Help

To pay Extra Help employees FLSA overtime worked at time and one-half. Extra Help employees follow the same FLSA overtime rules that regular County employees follow where over 40 hours in a seven-day work period equals overtime. FY 2024-25 costs were included in GL LiAcct 6300-Overtime.

### HWK – Holiday Halftime

HWK is an overtime payment to enable overtime-eligible employees to be paid the additional "one-half" of time for regular hours worked on a holiday (HWK pays the half-time portion while REG pays the straight time portion). HWK is limited to no more than 4 hours per holiday as the employee would code REG for the hours worked, HOA to accrue the same number of holiday hours worked for later use as HLB leave balance, and then HWK for half of the holiday hours worked. HWK cannot be used with OTR or SVR for the same hours worked. FY 2024-25 costs were included in GL LiAcct 6300-Overtime.

### OTD – Overtime DSA Pensionable Reg Sched

OTD is overtime that is pensionable for legacy members only due to its mandatory nature (Alameda Ruling) although it is allowable for PEPRAs members to code this as it will not be pensionable for PEPRAs employees programmed into the code. The earning code was created so that mandatory overtime for employees in the Dispatchers and Call Takers Job Classes would get pension credit when working mandatory overtime. FY 2024-25 costs were included in GL LiAcct 6300-Overtime.

### OTE – Emergency Overtime

Applicable to Bargaining Unit 44 - Sheriff's Manager Association MOU. FY 2024-25 costs were included in GL LiAcct 6300-Overtime.

### OTR – Overtime FLSA

To record overtime worked and receive cash payment for it within the same period. OTR overtime hours are compensated at one and one-half times the employee's regular rate of pay. FY 2024-25 costs were included in GL LiAcct 6300-Overtime.

### OTS – Overtime Straight

OTS is used for part-time employees to make up previously coded SCK or PSL hours to reach the time worked requirement before an employee is eligible for overtime. DSA employees are allowed to include SCK and PSL hours as time worked for overtime calculation purposes.

OTS is paid at straight time. FY 2024-25 costs were included in GL LiAcct 6300-Overtime.

### OTX – Overtime Emergency (OT, Straight, Exempt)

OTX is used by overtime exempt employees during a declared emergency (must be declared by the Board of Supervisors or County Executive Officer), when exempt employees are required to work over their normal 40-hour workweek. Applicable to Bargaining Unit 44 - Sheriff's Manager Association MOU. FY 2024-25 costs were included in GL LiAcct 6300-Overtime.

### SMV – Overtime Sheriff Management-Voluntary

SMV is used when Sheriff's Managers' Association regular full-time employees are authorized to work in "outside employment/voluntary duty" assignments in addition to their regular designated work period. SMV hours are compensated at one and one-half times the employee's regular rate of pay. SMV overtime hours earned cannot be banked for compensation at any later date in either pay or time off. SMV hours do not count as time worked to reach the overtime threshold. FY 2024-25 costs were included in GL LiAcct 6301-Overtime-Reimbursable.

### SVR – Overtime Sheriff (DSA)-Voluntary

SVR is used when Deputy Sheriff's Association regular full-time employees are authorized to work as Sheriff's Deputy and/or Sheriff's Sergeant in "outside employment/voluntary duty" assignments in addition to their regular designated work period. SVR hours are compensated at one and one-half times the employee's regular FLSA rate of pay. SVR hours earned cannot be banked for compensation at any later date in either pay or time off. FY 2024-25 costs were included in GL LiAcct 6301-Overtime-Reimbursable.

### VOP – Voluntary Overtime Payout

VOP is used to pay the incentive for completing the voluntary overtime shifts being worked in a deployment period. The tracking code for these hours during the deployment period is VOS-*Voluntary Overtime Shift Tracking*, while payment for the actual overtime remains OTR. VOP is not actually for overtime worked, but an allowance for working voluntary overtime. This agreement has expired as of 9/14/2025. FY 2024-25 costs were included in GL LiAcct 6100-Regular Salaries.

## **COMPENSATORY OVERTIME ACCOUNT CODES**

### **OTA – Overtime Accrue**

OTA is used to accrue overtime hours worked into the employee's compensatory overtime account. Hours accrue into the compensatory overtime account at time and one-half. Later, the department may allow the employee to take hours accrued off as leave balances or to cash out the accrued hours. The maximum allowable balance in the compensation overtime account shall be 240 hours, which represents 160 hours of actual overtime worked. Payments for compensatory overtime hours are taxable as lump sum payments in accordance with IRS and State Franchise Tax Board regulations and are subject to withholding as required by law. Applicable to Bargaining Unit 14 & 15 - Deputy Sheriff's Association MOU. There are no costs directly associated with OTA as the costs are only actualized when one of the other compensatory overtime account codes below is used to cash out account hours (OFC or OPF) or to use account hours as leave (OTT).

### **OFC – Overtime FLSA Cashout**

OFC is used to pay an employee, at the employee's discretion, for overtime hours worked and placed into their compensatory overtime account. Applicable to Bargaining Unit 14 & 15 - Deputy Sheriff's Association MOU. FY 2024-25 costs were included in GL LiAcct 6300-Overtime.

### **OPF – Overtime FLSA Payout Scheduled per MOU**

OPF is used to pay employees the balance of their compensatory overtime account as scheduled per their MOU. Applicable to Bargaining Unit 14 & 15 - Deputy Sheriff's Association MOU. FY 2024-25 costs were included in GL LiAcct 6300-Overtime.

### **OTT – Overtime Taken**

OTT is used for an employee to take time off work using hours in their compensatory overtime account in lieu of using their vacation balance. Applicable to Bargaining Unit 14 & 15 - Deputy Sheriff's Association MOU. FY 2024-25 costs were included in GL LiAcct 6300-Overtime.