



KRISTIN CROWLEY  
FIRE CHIEF

August 19, 2024

BOARD OF FIRE COMMISSIONERS  
FILE NO. 24-080

TO: Board of Fire Commissioners

FROM: *KC* Kristin M. Crowley, Fire Chief

SUBJECT: ANNUAL REPORT – LOS ANGELES FIRE DEPARTMENT SPECIAL TRAINING FUND 40J FISCAL YEAR 2023-2024

FINAL ACTION:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

**SUMMARY**

As required by City Ordinance No. 173341, the following report on the Los Angeles Fire Department (LAFD) Special Training Fund 40J covering Fiscal Year 2023/24 (FY 23/24) is submitted.

The LAFD Special Training Fund (Fund) was created to receive, retain, and disburse funds received from training activities. The General Account 40JA is used for fees collected for rentals of training facilities, training grants, and training-related service fees; these funds are to be expended for direct educational costs incurred by the Fire Department. The State Educational Account, the Vocational Education Training (VET), 40JB Revolving Fund, holds monies received from the State through affiliation contracts with local colleges. These funds are also utilized for training-related purposes.

Contracts with East Los Angeles College (ELAC) and West Los Angeles College (WLAC) allow the Department to participate in a revenue-share agreement based on State of California (State) reimbursement guidelines. All journey-level Department members, excluding members of the California Firefighter Joint Apprenticeship Committee (CFFJAC) Program, are enrolled in the VET program.

A synopsis of the Fund’s cash balance reports reflect the following activity:

<b>As of July 1, 2023, the Fund balance was:</b>	<b>\$ <u>1,072,289</u></b>
The Fund received revenue deposits of:	\$ 1,623,695
The Fund received in interest income:	\$ 35,090
The Fund received in miscellaneous deposits:	\$ 155
Deposits re-directed to General Fund	\$ (158,940)

<b>Total Deposits:</b>		<b><u>\$ 1,500,000</u></b>
Ending balance Due to other Agencies:	\$ 151,277	
Less: Starting balance Due to other Agencies:	\$ (151,277)	
<b>Net Decrease of Cash Due to State agencies:</b>		<b><u>\$ 0</u></b>
Expenditures	\$ (1,208,760)	
<b>Total Expended:</b>		<b><u>\$ (1,208,760)</u></b>
<b>As of June 30, 2024, the ending cash balance was:</b>		<b><u>\$ 1,543,529</u></b>

### **RECOMMENDATION**

That the Board:

Direct the Commission Executive Assistant II to forward this Annual Report to the Mayor and City Council.

### **FISCAL IMPACT**

The fiscal impact of the State's annual training reimbursement to the LAFD is critical due to the cost of recurrent training fees that rise significantly each year in addition to the expansion of LAFD training programs. If the VET funding was interrupted, numerous mandatory certifications and re-certifications could not occur within the LAFD budget and would need to be absorbed by the General Fund.

Section 5.148 of the Los Angeles Administrative Code (LAAC) requires that revenue receipts in excess of \$1.5 Million be deposited into the General Fund, thus limiting funding to \$1.5 Million per year

A few examples of mandatory training requiring certifications and re-certifications include mandatory state certifications for fire academy recruits and graduates, Urban Search and Rescue (USAR), Swift Water Rescue, fire station level member training, Disaster Preparedness, Hazmat, Arson and Counter-Terrorism, Pilot initial and recurrent certification programs, and training for recently promoted members.

### **DISCUSSION**

The Fund had a beginning cash balance of \$1,072,289. During the FY 23/24 period (July 1, 2023 through June 30, 2024), State fund payouts (via ELAC and WLAC) totaling \$1,623,695 were deposited into the account. This revenue is based on the total In-Service Training, Regional Training, Emergency Medical Technician Training, Recruit Training, and Paramedic Training hours. The balance of the deposits into the account represents interest income in the amount of \$35,090 and a miscellaneous revenue deposit of \$155.

Of these deposits, the Fund retained \$1,500,000 and \$158,940 was deposited into the General Fund. Fund expenditures for the fiscal year totaled \$1,208,760. The ending cash balance was \$1,543,529.

Although the Fund received revenue deposits totaling \$1,623,695, nearly half of that amount (\$794,319) was not received until June 2024, the final month of the fiscal year. Consequently, certain expenditures could not be made until this revenue was received, leading to an inflated balance at the fiscal year-end.

A portion of the ending cash balance is comprised of \$584,821 in encumbrances for training items incurred and not yet expensed and \$151,277 in payables due to other agencies. The outstanding encumbrance amount includes pending expenditures for helicopter pilot recurrent training, mandatory swift water annual training, mandatory state fire training and certifications for fire academy recruits, recruit supplies and equipment, work environment training, and pending payments for other courses, certifications, and conferences.

Since the Department has a limited travel budget, the Fund provided travel and per diem expenses for Department members to attend various training, conferences, and seminars relevant to Department operations. Examples include Fire Department Instructors Conference, National Fire Protection Association Conference and Expo, and FIRESCOPE Operations team meetings.

The Fund also covered expenses for Department members to receive essential training and certifications, both on-site and at other venues. These included training and certifications for Fire Helicopter Pilots, Aircraft Rescue and Firefighting, Swift Water Rescue Team, Accelerant Detection Canine Handling, Fire Prevention, and Recruit Academy members. Additionally, significant Fund expenditures encompassed annual renewal of the Department's online learning management system, workplace environment training, and training materials, such as lumber.

Contracts with the affiliate colleges (ELAC and WLAC) stipulate that the agreement term for both parties is based on the fiscal year, running from July 1 through June 30. ELAC calculates and submits training reimbursements to LAFD every six months. WLAC calculates reimbursements based on each paramedic training program cycle.

### **CONCLUSION**

The LAFD Special Training Fund is critical as it funds numerous mandatory recurrent training and certifications, ensuring members are well-prepared to serve the community effectively. Contracts with affiliate colleges provide the primary source of receipts into the Fund. Challenges posed by delays in receiving a significant deposit temporarily inflated the fund balance, necessitating additional payments in the following fiscal year. Proper oversight and established procedures ensure this program is utilized in support of fire service-related training purposes.

Board Report prepared by Maria Pascual, Senior Management Analyst, Training and Support Bureau.