

September 20, 2022

LOS ANGELES FIRE DEPARTMENT



KRISTIN M. CROWLEY
FIRE CHIEF

August 15, 2022

BOARD OF FIRE COMMISSIONERS
FILE NO. 22-085

TO: Board of Fire Commissioners

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

SUBJECT: ANNUAL REPORT – LOS ANGELES FIRE DEPARTMENT SPECIAL
TRAINING FUND 40J FISCAL YEAR 2021/2022

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 Withdrawn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 2021/22 (FY 21/22) 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:

As of July 1, 2021, the Fund balance was:

\$ 1,803,337

The Fund received revenue deposits of:	\$ 1,736,796
The Fund received in grant reimbursements:	\$ 83,250
The Fund received in interest income:	\$ 22,779
The Fund received in miscellaneous deposits:	\$ 502
Deposits re-directed to General Fund	\$ (343,327)

Total Deposits:		<u>\$ 1,500,000</u>
Ending balance Due to other Agencies:	\$ 153,473	
Less: Starting balance Due to other Agencies:	\$ (179,702)	
Net Decrease of Cash Due to State agencies:		<u>\$ (26,229)</u>
Expenditures	\$ (2,426,835)	
Total Expended:		<u>\$ (2,426,835)</u>
As of June 30, 2022, the ending cash balance was:		<u>\$ 850,273</u>

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. This section was last revised in March of 2002 despite rising costs and the expansion of training programs.

The ELAC and WLAC contracts are the vehicles that enable the Department to conduct mandatory training at applicable sites by providing LAFD certifications and college credits.

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. Fire Prevention, USAR, and Hazmat must recertify to existing Fire Code updates every alternate year, and all Chief Officers are mandated to certify or re-certify as Strike Team Leaders, Division Group Leaders, and Safety Officers.

DISCUSSION

The contracts between the City of Los Angeles and the aforementioned affiliate colleges state that the term of agreement for both entities becomes effective on a fiscal year basis, i.e., July 1 through June 30. ELAC calculates what is due to LAFD on a six-month basis and submits training reimbursements, accordingly. WLAC calculates what is due to LAFD per paramedic training program cycle.

The Fund had a beginning cash balance of \$1,803,337. During the FY 21/22 period of July 1, 2021 through June 30, 2022, State fund payouts (via ELAC and WLAC) totaling \$1,736,795 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. An additional \$83,250 deposit represents a grant reimbursement from FEMA for training expenses front-funded by the Fund. The balance of the deposits into the account represent interest income in the amount of \$22,779 and a miscellaneous revenue deposit of \$502.

Of these deposits, the Fund retained \$1,500,000 and \$343,327 was deposited into the General Fund.

Fund expenditures for the fiscal year totaled \$2,426,835 and the amount Due to Other Agencies had a net decrease of \$26,229 at year-end.

The ending cash balance was \$850,273, the lowest cash balance the Fund has seen in ten years.

A portion of the ending cash balance is comprised of \$275,376 in encumbrances for training items incurred and not yet expensed and \$153,473 in payables due to other agencies. The outstanding encumbrance amount includes pending expenditures for helicopter pilot recurrent training, bi-annual recurrent Shallow Water Egress Training (SWET), mandatory state fire training and certifications for fire academy recruits, and maritime firefighting training supplies and equipment.

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. The following are a few examples: Fire Department Instructors Conference, National Fire Protection Association Conference and Expo, and FIREScope Operations team meetings.

The Fund also provided monies for Department members to attend mandatory and/or critical training held at Department facilities as well as other venues. Some of these include Fire Helicopter Pilot recurrent training classes, Fire Instructor courses, Swift Water Rescue Team, Shallow Water Egress Training, Accelerant Detection Canine Recertification Training, Wildland Fire Training and Safety, Aviation Safety Management Systems, Community Risk Reduction Leadership Workshop, and Fire Code Statutes and Regulations.

Other major Fund expenditures also include: cost share expenditures for grants awarded to fund marine firefighter training, annual renewal of the Department's online learning management system, and subsidization of a training contract with the Regents of the University of California at Los Angeles (UCLA), which allowed the Department to send approximately 45 sworn members to paramedic training.

CONCLUSION

The LAFD Special Training Fund is critical as it is the vehicle utilized to fund numerous mandatory recurrent training and certifications, as well as other training opportunities. Contracts with affiliate colleges provide the primary source of receipts into the Fund. 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.