



Legislation Text

File #: 20-0340, **Version:** 1

District Attorney's Office recommending the Board approve and authorize the Chair to sign FY 19/20 budget transfer:

1) Increasing appropriations and estimated revenue in both the Workers' Compensation Fraud Special Revenue Fund and the District Attorney's Office by \$2,796 due to additional grant funding received for the California Department of Insurance Workers' Compensation Fraud Program; and
2) Increase Operating Transfers by \$59,260 to allow reimbursement of High-Impact Program expenses incurred in FY 18/19. The reimbursement will increase the General Fund revenue, resulting in a decrease to the District Attorney's Office Net County Cost by \$59,260. (4/5 vote required).

FUNDING: California Department of Insurance Workers' Compensation and High-Impact Fraud Programs.

DISCUSSION / BACKGROUND

Since Fiscal Year 2004-05, the District Attorney's Office has consistently been a recipient of California Department of Insurance (CDI) grant funding, which includes the funding for the Workers' Compensation Fraud program. The program is designed to aid public agencies in detecting and prosecuting local Workers' Compensation fraud crimes, with the mission of protecting the public and preventing economic loss. In relation to the Workers' Compensation Fraud program, CDI also administers the High-Impact Insurance Fraud Program, which is specifically designated for the funding of enhanced fraud investigation cases of which suspected loss is at least \$1,000,000 or higher.

FY 18/19 High-Impact Insurance Fraud Grant

During FY 18/19, the District Attorney's Office was granted the one-time High-Impact Program award to fund the expenses of a particular fraud case. Per item 19-0191 approved on February 26, 2019, the Board authorized the acceptance of the program grant agreement in the amount of \$60,000. The associated budget transfer modifying the general fund appropriations did not reflect that the revenue would be deposited into the appropriate Workers' Compensation Special Revenue Fund account (SRF 2270741). Therefore, during FY 18/19, the department was unable to reimburse the \$59,620 of actual expenses incurred for the program due to unavailable appropriations in the SRF. The department is recommending the revenue be recognized in FY 19/20. Because the actual expenses incurred during FY 18/19 were funded by the General Fund, the operating transfer out of the SRF will off-set by the return of funds to the General Fund as an increase to contingency.

The FY 18/19 High-Impact Program expenses totaled to \$59,620, leaving an unused grant award balance of \$380. The department will return these unspent funds to CDI as revenue abatement.

FY 19/20 Workers' Compensation Fraud Grant

The District Attorney has received an additional \$2,796 grant award under the FY 19/20 Workers' Compensation Program. The department is recommending the increase of projected revenue and appropriation in the department's operating fund and the Workers' Compensation Fraud Special Revenue Fund (SRF 2270741) to support related program travel and computer equipment costs.

ALTERNATIVES

Should the board opt not to approve the requested budget transfer; the District Attorney's FY19/20 budget will not reflect the appropriate revenue and expenses in regards to the Workers' Compensation and High-Impact Fraud programs.

PRIOR BOARD ACTION

Legistar 19-0191, February 26, 2019 - Board approved resolution 017-2019 authorizing the District Attorney to execute a Grant Award Agreement with the California Department of Insurance for the High Impact Insurance Fraud Program for Fiscal Year 2018-19.

Legistar 19-1367, October 8, 2019 - Board approved resolution 164-2019 authorizing the District Attorney to execute a Grant Award Agreement with the California Department of Insurance for the Workers' Compensation Insurance Fraud Program for Fiscal Year 2019-20.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

\$59,620 increase in General Fund contingency appropriations, resulting in an overall decrease in Net County Cost for the District Attorney's Office.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Upon Board approval, Clerk of the Board to forward executed budget transfer to the Auditor Controller's Office.

STRATEGIC PLAN COMPONENT

Public Safety

CONTACT

Vern Pierson, District Attorney