Meeting Date: **6/10/2014**

Report Type: Consent

Report ID: 2014-00405

City of SACRAMENTO 15

City Council Report
915 I Street, 1st Floor
www.CityofSacramento.org

Title: Adoption: Fiscal Year 2014/15 Asset Forfeiture Expenditure Master Plan

Location: Citywide

Recommendation: 1) Pass a Resolution a) rescinding City Council Resolution 90-271 and; b) establishing an updated policy for the expenditure of asset forfeiture funding; and 2) pass a Resolution authorizing the City Manager, or the City Manager's designee, to a) implement the FY 2014/15 Asset Forfeiture Expenditure Master Plan; b) adjust the necessary Asset Forfeiture Externally Funded Program (EFP) expense and revenue budgets by $930,433; and c) make adjustments to the allocations within the approved allocation categories approved in the FY 2014/15 Asset Forfeiture Expenditure Master Plan based on operational requirements of the Sacramento Police Department.

Contact: Scott Pettingell, Police Administrative Manager, Fiscal Section, (916) 808-0909, Police Department

Presenter: None

Department: Police

Division: Fiscal Operations

Dept ID: 11001021

Attachments:
1-Description/Analysis
2-Other- Resolution 90-271
3-Resolution 1- Asset Forfeiture Policy
4-Resolution 2 - FY14 Master Plan
5-Exhibit A - FY14 Master Plan Final 05082014 FINAL SP

City Attorney Review

Approved as to Form
Michael Fry
6/2/2014 9:50:24 AM

Approvals/Acknowledgements

Department Director or Designee: Sam Somers - 5/27/2014 9:18:11 AM

James Sanchez, City Attorney Shirley Concolino, City Clerk Russell Fehr, City Treasurer
John F. Shirey, City Manager

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Description/Analysis

Issue: This report recommends that City Council adopt an updated Asset Forfeiture Expenditure Policy (Attachment 3) and FY 2014/15 Asset Forfeiture Master Plan (Attachment 4). The updated policy and master plan were presented to City Council on June 5, 2014. The updated expenditure policy reflects current priorities and is in alignment with all applicable state and federal asset forfeiture requirements. The FY2014/15 Master Plan reflects the priorities outlined in the updated policy.

Policy Considerations: The City of Sacramento Police Department (SPD) receives a portion of the assets it seizes under the Federal Comprehensive Crime Control Act of 1984, State of California Health and Safety Code Sections 11470 through 11492, Penal Code Section 186 through 186.8 and joint agreements with government agencies. Depending upon the reason for the forfeiture and parties involved, the revenues are deposited into the Externally Funded Program Fund (2703) and distributed into Externally Funded Projects (EFPs). Federal and state laws, as well as formal agreements, govern the administration, budgeting and expenditure of asset forfeiture funding (State of California Health and Safety Code 11469 – 11495 and Department of the Treasury (DOT) and Department of Justice (DOJ) Guides for Equitable Sharing).

On April 10, 1990, the City Council approved Resolution 90-271 (Attachment 2) establishing expenditure priorities for asset forfeiture funding. At the direction of City Council, the SPD has reviewed this policy and recommends that it be rescinded and an updated policy be considered (Attachment 3).

This updated asset forfeiture expenditure policy focuses on establishing programs and purchasing equipment that enhance officer safety, improve officer performance and supports anti-drug and gang prevention and intervention programming for high-risk elementary and high school students. The updated policy is available in Attachment 3.

Environmental Considerations: Not applicable.

> **California Environmental Quality Act (CEQA):** This proposal does not constitute a “project” and is therefore exempt from the California Environmental Quality Act (CEQA) according to CEQA guidelines Sections 15061(b)(3) 15378(a).

Sustainability Considerations: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: At the direction of City Council, the SPD has reviewed the existing asset expenditure policy (Attachment 2). The current policy is outdated and the SPD recommends the existing policy be rescinded and an updated policy be considered that reflects current priorities and procedures (Attachment 3).

The proposed FY 2014/15 Asset Forfeiture Expenditure Master Plan (Attachments 4 and 5) conforms to the updated policy as well as all applicable city, state and federal requirements (Federal Comprehensive Crime Control Act of 1984 and State of California Health and Safety Code Sections 11470 through 11492).

Financial Considerations: As of March 25, 2014, the SPD has received an additional $930,433 in asset forfeiture revenues and interest earnings since the approval of the previous Master Plan. This additional revenue brings the total asset forfeiture balance to $1,454,010.

Below is a summary of previously appropriated fund balances and additional revenues received since approval of the previous Master Plan.

Project Name/Number	Fund	Remaining Balances Approved in Previous Master Plan ($)	Funding Received Since Approval of Previous Master Plan ($)	Total ($)
State Asset Forfeiture Criminal Profiteering E11002700	2703	-	840	**840**
State Asset Forfeiture Narcotics Assets E11002800	2703	126,718	335,157	**461,875**
State Asset Forfeiture 15% for Drug/Gang Education E11002900	2703	296,737	64,790	**361,527**
Federal Asset Forfeiture CRIP E11003100	2703	31	20	**51**
Federal Asset Forfeiture U.S. Department of the Treasury E11003200	2703	83,274	376,699	**459,973**
Federal Asset Forfeiture U.S. Department of Justice E11003300	2703	16,817	152,927	**169,744**
Total		**523,577**	**930,433**	**1,454,010**

The SPD proposes that available funding be allocated for the following purposes:

Allocation Category	Remaining Balances Approved in Previous Master Plan ($)		Funding Received Since Approval of Previous Master Plan ($)	
	Obligated	Unobligated	New Funding	Total ($)
Replacement and Repair of Specialized Vehicles and Aircraft	-	213,653	286,347	**500,000**
Safety Equipment for Front-Line Law Enforcement (e.g., Weapons and Ammunition)	8,308	-	220,145	**228,453**
Technology Improvements for Front-Line Law Enforcement (e.g., In-car Computers and Cameras)	-	-	125,579	**125,579**
Support for Specialized Programs, Investigations, and Operations (e.g., Neighborhood Watch Program, Informant Pay and Equipment)	-	-	228,452	**228,452**
Administration of Asset Forfeiture Program (e.g., Towing of Seized Vehicles)	4,880	-	5,120	**10,000**
Drug/Gang Education Programming (State Asset Forfeiture – 15% for Drugs/Gang Prevention)				
Sacramento Police Foundation – Criminal Justice Magnet Academy	30,503	22,551	22,294	**75,348**
Kops-N-Kids Summer Camp	5,491	3,316	3,028	**11,835**
Sacramento Police Activities League	60,392	37,584	10,000	**107,976**
Boys & Girls Clubs of Greater Sacramento	22,228	15,590	10,092	**47,910**
SCUSD – Men's Leadership Academy	30,000	11,275	6,055	**47,330**
Cadet Program	33,000	24,806	13,321	**71,127**
Total	**194,802**	**328,775**	**930,433**	**1,454,010**

Further details on the each of the proposed allocations are included in the Master Plan (Attachments 4 and 5).

Local Business Enterprise (LBE): Not applicable.

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Attachment 2

RESOLUTION NO. 90-271

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF APR 1 0 1990

RESOLUTION ADOPTING A GENERAL POLICY FOR THE POLICE DEPARTMENT TO FOLLOW WHEN REQUESTING THE EXPENDITURE OF ASSET SEIZURE FUNDS

WHEREAS the City of Sacramento Police Department receives a portion of the assets seized by them under the Federal Comprehensive Crime Control Act of 1984 and the State of California Health and Safety Code Sections 11470 through 11492.

AND WHEREAS Health and Safety Code Section 11489(d) mandates the proceeds from asset seizure be used to support and enhance law enforcement.

NOW, THEREFORE, BE IT RESOLVED that the following policy is established to prioritize the expenditure of asset seizure funds:

1. Asset Seizure funds will not be used to supplant other local funds. Conversely, expenditures identified and approved to be funded by the Asset Seizure Fund will not be supplanted by the General Fund.

2. Funds received by the Sacramento Police Department for Asset Seizure will be expended in a manner consistent with Sate and Federal requirements.

3. Asset Seizure funds will be expended in a manner which will enhance officer safety and improve the performance of the Police Department in it's overall mission.

   The following priorities will be used in developing the expenditure master plan:

   a. Maintenance of the personnel required to administer the Asset Seizure Program. This is to be accomplished by prohibiting the balance of the Asset Seizure Fund to fall below the amount needed to fund one full year of administrative costs.

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RESOLUTION NO.: 90-271

DATE ADOPTED: APR 1 0 1990

b. Establish programs and/or purchase and maintain equipment which will enhance the safety and performance of narcotic related activities of the Sacramento Police Department.

c. Establish programs and/or purchase and maintain equipment which will enhance the safety and performance of general law enforcement activities of the Sacramento Police Department.

d. Purchase and maintain equipment and/or establish programs which will enhance crime and/or drug prevention programs administered by the Sacramento Police Department.

4. The Police Department will create an Asset Seizure Expenditure Master Plan and will update the plan on a yearly basis. The Asset Seizure Expenditure Master Plan and updates will be approved by the City Council before any transfer of funds will be authorized.

Anne Rudin
MAYOR

ATTEST:

Valerie A. Burrows
CITY CLERK

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DATE ADOPTED: APR 1 0 1990

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Attachment 3

RESOLUTION NO.

Adopted by the Sacramento City Council

RESCINDING RESOLUTION 90-271 AND UPDATING POLICY FOR THE EXPENDITURE OF ASSET FORFEITURE FUNDING

BACKGROUND

A. The City of Sacramento Police Department (SPD) receives a portion of the assets seized under the Federal Comprehensive Crime Control Act of 1984, State of California Health and Safety Code Sections 11470 through 11492, Penal Code Section 186 through 186.8 and joint agreements with government agencies.

B. Depending upon the reason for the forfeiture and the parties involved, the revenues are deposited into the Externally Funded Program Fund (2703) and distributed to the following projects: State Asset Forfeiture (SAF) Criminal Profiteering (E11002700), SAF Narcotic Case Assets (E11002800), SAF 15 percent for Drug/Gang Programming, Federal Asset Forfeiture (FAF) Federal Crank Rock Impact Project (CRIP) (E11003100), FAF Department of Treasury (DOT) (E11003200) and FAF Department of Justice (DOJ) (E11003300).

C. Federal and state laws as well as formal agreements govern the administration, budgeting and expenditure of asset forfeiture funding (State of California Health and Safety Code 11469 – 11495 and DOT and DOJ Guides for Equitable Sharing).

D. On April 10, 1990, the City Council approved City Council Resolution 90-271 establishing a policy for the expenditure of asset forfeiture funds.

E. At the direction of City Council, Resolution 90-271 has been reviewed and is recommended to be replaced with this updated asset forfeiture policy.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Rescind City Council Resolution 90-271.

Section 2. The following policy is established for the expenditure of asset forfeiture funding:

A) The SPD will propose an Asset Forfeiture Expenditure Master Plan to the City Council for approval on an annual basis. The Asset Forfeiture Master Plan must be approved by City Council prior to the appropriation and expenditure of asset forfeiture funding.

B) The following priorities will be used in developing Asset Forfeiture Expenditure Master Plans:

a. Enhancement of safety equipment for front line law enforcement personnel (e.g., ammunition, weapons, and Tasers).

b. Integration of technology advancements (Specialized law enforcement vehicles and aircraft, in-car computers and cameras, and computer software).

c. Support for anti-drug and gang prevention and intervention programming for high-risk elementary and high school students that are collaborative and involve partnerships with community based organizations, educators, parents, sworn law enforcement officers and local businesses.

d. Support for specialized law enforcement programs, investigations, and operations (e.g., informant pay and equipment for Special Weapons and Tactics (SWAT) Team, K-9 Unit, Gang Enforcement Team (GET) and Neighborhood Watch Program).

e. Administration of asset forfeiture program (e.g., towing of seized vehicles).

C) Asset forfeiture funding will not be used to supplant local funds. Conversely, expenditures identified and approved to be funded by asset forfeiture funding will not be supplanted by the General Fund.

D) Asset forfeiture funding will be expended in a manner consistent with state and federal requirements.

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Attachment 4

RESOLUTION NO.

Adopted by the Sacramento City Council

Fiscal Year (FY) 2014/15 Asset Forfeiture Expenditure Master Plan

BACKGROUND

A. The City of Sacramento Police Department receives a portion of the assets it seizes under the Federal Comprehensive Crime Control Act of 1984, State of California Health and Safety Code Sections 11470 through 11492, Penal Code Section 186 through 186.8 and joint agreements with government agencies.

B. Depending upon the reason for the forfeiture and the parties involved, the revenues are deposited into the Externally Funded Program Fund (2703) and distributed to the following projects: State Asset Forfeiture (SAF) Criminal Profiteering (E11002700), SAF Narcotic Case Assets (E11002800), SAF 15 percent for Drug/Gang Programming, Federal Asset Forfeiture (FAF) Federal Crank Rock Impact Project (CRIP) (E11003100), FAF Department of Treasury (DOT) (E11003200) and FAF Department of Justice (DOJ) (E11003300).

C. Federal, state and formal agreements govern the administration, budgeting and expenditure of asset forfeiture funding (State of California Health and Safety Code 11469 – 11495 and DOT and DOJ Guides for Equitable Sharing).

D. Pursuant to City Council direction, the FY 2014/15 Asset Forfeiture Expenditure Master Plan is included as Exhibit A to this resolution.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager, or the City Manager's designee, is authorized to implement the FY2014/15 Asset Forfeiture Expenditure Master Plan (Exhibit A).

Section 2. The City Manager, or the City Manager's designee, is authorized to adjust the appropriate Police Department Asset Forfeiture project (E11002700, E11002800, E11002900, E11003100, E11003200, E11003300) expense and revenue budgets by $930,433.

Section 3. The City Manager is authorized to make adjustments to the allocations within the allocation categories approved in the FY 2014/15 Asset Forfeiture Expenditure Master Plan based on operational requirements of

the Police Department.

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Exhibit A – FY2014/15 Asset Forfeiture Expenditure Master Plan

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Attachment 5 - Exhibit A

FY2014/15 ASSET FORFEITURE EXPENDITURE MASTER PLAN

The Sacramento Police Department (SPD) respectfully submits the following annual Asset Forfeiture Expenditure Master Plan (Master Plan). The Master Plan includes an overview, proposed funding plan, funding restrictions and guidelines and a five-year expenditure and revenue history.

OVERVIEW

Asset forfeiture funds are generated by the SPD as a result of the department's participation in the seizure or forfeiture of tangible property or cash resulting from successful investigations. The asset forfeiture program is regulated by the Federal Comprehensive Crime Control Act of 1984, State of California Health and Safety Code Sections 11470 through 11492, Penal Code Section 186 through 186.8, and joint agreements with government agencies. Depending upon the reason for the forfeiture and parties involved, the revenues are deposited into the Externally Funded Program Fund (2703) and distributed into Externally Funded Projects (EFPs).

In general, Federal and State regulations require that asset forfeiture funding be used by law enforcement agencies for law enforcement purposes, and prohibit funds from being used to supplant funds that would otherwise be made available to programs. In addition, guidelines specifically prohibit projecting revenue from forfeiture property until the funds are awarded. Specific details on the regulations pertaining to the expenditure of asset forfeiture funds are provided below.

PROPOSED EXPENDITURE PLAN

As of March 25, 2014, the SPD has received an additional $930,433 in asset forfeiture revenues and interest earnings since the approval of the previous Master Plan. This additional revenue brings the total asset forfeiture balance to $1,454,010.

Below is a summary of previously appropriated balances and additional revenues received since approval of the previous Master Plan.

Project Name/Number	Fund	Remaining Balances Approved in Previous Master Plan ($)	Funding Received Since Approval of Previous Master Plan ($) *	Total ($)
State Asset Forfeiture Criminal Profiteering E11002700	2703	-	840	**840**
State Asset Forfeiture ** Narcotics Assets E11002800	2703	126,718	335,157	**461,875**
State Asset Forfeiture ** 15% for Anti-Drug/Gang Education E11002900	2703	296,737	64,790	**361,527**
Federal Asset Forfeiture CRIP E11003100	2703	31	20	**51**
Federal Asset Forfeiture U.S. Department of the Treasury E11003200	2703	83,274	376,699	**459,973**
Federal Asset Forfeiture U.S. Department of Justice E11003300	2703	16,817	152,927	**169,744**
Total		**523,577**	**930,433**	**1,454,010**

**Includes interest earned.*

*** 15% for Anti-Drug/Gang education formula:*

15% for Anti-Drug/Gang Education - $55,536
85% for state asset forfeiture - $314,702
Total state asset forfeiture without interest - $370,238

The SPD proposes that available funding be allocated for the following purposes.

Allocation Category	Remaining Balances Approved in Previous Master Plan ($)		Funding Received Since Approval of Previous Master Plan ($)	
	Obligated	Unobligated	New Funding	Total ($)
Replacement and Repair of Specialized Vehicles and Aircraft	-	213,653	286,347	**500,000**
Safety Equipment for Front-Line Law Enforcement (e.g., Weapons and Ammunition)	8,308	-	220,145	**228,453**

Technology Improvements for Front-Line Law Enforcement (e.g., In-car Computers and Cameras)	-	-	125,579	**125,579**
Support for Specialized Programs, Investigations, and Operations (e.g., Neighborhood Watch Program, Informant Pay and Equipment)	-	-	228,452	**228,452**
Administration of Asset Forfeiture Program (e.g., Towing of Seized Vehicles)	4,880	-	5,120	**10,000**
Anti-Drug/Gang Education Programming (State Asset Forfeiture – 15% for Drugs/Gang Prevention)				
Sacramento Police Foundation – Magnet Academy	30,503	22,551	22,294	**75,348**
Kops-N-Kids Summer Camp	5,491	3,316	3,028	**11,835**
Sacramento Police Activities League	60,392	37,584	10,000	**107,976**
Boys & Girls Clubs of Greater Sacramento	22,228	15,590	10,092	**47,910**
SCUSD – Men's Leadership Academy	30,000	11,275	6,055	**47,330**
Cadet Program	33,000	24,806	13,321	**71,127**
Total	**194,802**	**328,775**	**930,433**	**1,454,010**

Following is a description of each of the proposed allocations:

Replacement and Repair of Specialized Vehicles and Aircraft - The SPD proposes to allocate $500,000 for the replacement and repair of SPD's specialized vehicles and aircraft (three helicopters and one fixed wing aircraft). The SPD currently does not have any dedicated local funds to replace and overhaul its fleet of aircraft, and to conduct regular inspections and repairs. This funding will help ensure the proper and long-term operation of the air operations program.

Safety Equipment for Front-Line Law Enforcement - The SPD proposes to allocate $228,453 for the purchase of safety equipment for front-line law enforcement purposes. Examples of anticipated requirements include weapons, ammunition and Tasers.

Technology Improvements for Front-Line Law Enforcement - The SPD proposes to allocate $125,579 for the purchase of technology improvements to support front-line law enforcement operations. Examples of anticipated requirements include in-car computers, in-car cameras, and electronic citation equipment.

Support for Specialized Programs, Investigations and Operations – The SPD proposes to allocate $228,452 to support specialized programs, investigations and operations. For example, this funding will be used for informant pay and the purchase of specialized equipment for the Special Weapons and Tactics (SWAT) Team, K-9 Unit, Gang Enforcement Team (GET), and Neighborhood Watch program.

Administration of Asset Forfeiture Program – The SPD proposes to allocate $10,000 for the administration of the asset forfeiture program. This allocation will primarily fund the cost to tow seized vehicles.

Anti-Drug and Gang Prevention and Intervention Programming – The SPD proposes to allocate the remaining balance of $361,526 to provide funding for anti-drug and gang education programs as required by the State of California Health and Safety Code Section 11489. Each of the identified programs is geared toward high-risk elementary and high school students. These programs also include drug abuse and gang activity education and have a proven track record of success. In addition, all of the programs are collaborative and involve partnerships with educators, parents, sworn law enforcement officers, and local businesses.

Of the $361,526 in available funding, $181,614 is currently under formal agreement and approved by the program panel. The remaining balance of $179,912 is proposed to be allocated to provide continued support for these programs. The following is a summary of each program:

Sacramento Police Foundation (Criminal Justice Magnet Academy) – The Sacramento Police Foundation is an independent 501(c)(3) charitable, non-profit organization that provides an opportunity for citizens and businesses to assist in providing resources and programs that will help prevent and reduce crime while developing stronger relationships with the community. The Sacramento Police Foundation provides support to the Criminal Justice Magnet Academies in operation at John F. Kennedy, C.K. McClatchy, Hiram W. Johnson and Grant Union High Schools.

The Criminal Justice Magnet Academy is a four-year program (9th, 10th, 11th and 12th grades) structured as a "school within a school." These academies serve approximately 525 students per year and operate within a close family-like atmosphere, integrating academic and career technical education. The academy curriculum is law enforcement focused, coordinated with related academic classes and includes lessons on the dangers of drug abuse and gang involvement. In addition to the Sacramento Police Foundation, the Academies are operated in partnership with the State Department of Education, Sacramento City Unified School District, Twin Rivers School District, Closing the Gap (Non-Profit 501(C)(3)), RCA Foundation, Golden Pacific Bank, and the Target Foundation. The Criminal Justice Magnet Academy has a proven track record of success that includes a 100 percent graduation rate and a 98 percent college entrance rate.

Kops-N-Kids (Summer Camp) – For the past 27 years, the Kops-N-Kids organization (Non-profit

501(C)(3)) has partnered with local, state and federal law enforcement agencies, local fire departments, educators, parents, local businesses and community volunteers to provide a week-long summer day camp for high-risk elementary and high school students in the Sacramento area. The Kops-N-Kids Summer Camp features curriculum in gang resistance, drug awareness, and violence prevention. Approximately 350 kids have attended the camp each year.

Sacramento Police Activities League (SacPAL) – SacPAL is a 501(c)(3) non-profit organization that serves approximately 325 high-risk elementary and high school students each year by teaching positive citizenship principles through anti-drug and gang education, and recreational and civic programs. The organization consists of SPD officers and community members, and partners with the City of Sacramento Parks and Recreation Department, Sacramento City Unified School District, Sacramento County Probation, Sacramento Housing and Redevelopment Agency, Kops-N-Kids (non-profit 501(c)(3)), Boys and Girls Club, Salvation Army, Positive Coaching Alliance, and local businesses. The programs administered by SacPAL include Spartan Rugby Team, mountain biking, martial arts, teen nights, fishing derbies and fitness camps.

Boys & Girls Clubs of Greater Sacramento – The Boys & Girls Club of Greater Sacramento has a long-standing history of contributing to the growth and positive development of high-risk secondary and high school students in the Sacramento area. The Boys & Girls Club provides youth with a safe environment to participate in positive activities while instilling a sense of competence, usefulness and belonging. The Boys & Girls Club works in partnership with SPD, SacPAL, the Sacramento City Unified School District, and Sacramento County Probation to provide a location for a weekly Teen Night at "The Club." The Boys & Girls Club provides staffing and a facility for approximately 50 students to play basketball, video games, arts and crafts and dance while learning about the dangers of gangs and drug abuse. In addition, the Boys & Girls Club partners with the SPD to provide an internship program for high school students during the summer months.

Sacramento City Unified School District (Men's Leadership Academy) – The Men's Leadership Academy is administered by the Sacramento City Unified School District. This Academy is offered during the school day to high-risk high school students. Through service learning and a multi-cultural curriculum, the program provides students with the tools to succeed, including teamwork, leadership, life skills, drug and gang education, problem-solving, and resiliency skills. The academy partners with teachers, students, parents, local businesses, and SPD to provide encouragement needed for these teens to complete high school and enroll in college. This program currently operates out of C.K. McClatchy High School and American Legion High School, and serves approximately 35 students each year. Students attending the program have markedly improved grade point averages and behavior.

Cadet Program – The SPD, in partnership with local non-profits and businesses, will re-establish a Cadet Program for high-risk teenagers and young adults, 14-21 years of age. The Cadet Program includes a curriculum that prepares youth for a future in law enforcement or other

community service-based careers. The program serves to educate participants on the various aspects of the Sacramento Police Department as well as the criminal justice system, community oriented policing, and other law enforcement-related subjects. Additional life building skills such as drug and gang education, public speaking, resume building, grooming standards, work ethic, and teamwork complete the curriculum. Cadets will be expected to perform community service in the Sacramento area which may include assisting with traffic control, security, decoy operations, and fingerprinting. The asset forfeiture funding will only provide support for teenagers, ages 14-18, participating in the program. Funding for young adults participating in the program will come from alternative sources.

PROJECT DESCRIPTIONS AND GUIDELINES

Depending upon the reason for forfeiture and parties involved, the revenues are deposited into the Externally Funded Program Fund (2703) and distributed to the following projects:

State Asset Forfeiture

- Criminal Profiteering (E11002700)
- Narcotic Case Assets (E11002800)
- 15 Percent for Drug/Gang Programming (E11002900)

Federal Asset Forfeiture

- Federal Crank Rock Impact Project (CRIP) (E11003100)
- Department of Treasury (DOT) (E11003200)
- Department of Justice (DOJ) (E11003300)

Following is a description of each of the funds along with

State Asset Forfeiture - Criminal Profiteering (E11002700)

In accordance with State of California Penal Code Section 186 – 186.8, and subsequent memorandum of understanding with the Sacramento County District Attorney, all property forfeited under the provisions of this code shall be distributed 50 percent to the Sacramento District Attorney and 50 percent to the seizing agency. Prior to the distribution, the seizing agency and the District Attorney can recoup from the forfeited funds any reasonable and necessary expenses incurred in the investigation of the crime. This funding is expended based on the policy guidance in City Council Resolution 90-271.

State Asset Forfeiture - Narcotic Case Assets (E11002800)

Funding received by the City of Sacramento from the State of California, pursuant to California Health and Safety Code, Section 11469 – 11495, is deposited into this project. This project

accounts for forfeiture funding received whenever the SPD is involved in state asset forfeitures from convicted drug law violators. The intent of this code is to remove the tools and profits from those engaged in the illicit drug trade. The SPD is permitted by California Health and Safety Code Section 11489 to use the proceeds to purchase safe, more effective equipment that would otherwise not be funded.

Guidelines for Use

- Funding must be used to support law enforcement efforts (11489(d)).
- Funding shall not be used to replace or supplant local resources (11489(d)).
- No sworn law enforcement officer's employment or salary shall be made to depend upon the level of forfeitures (11469(b)).
- Forfeiture proceeds shall be maintained in a separate fund or account subject to the appropriate accounting controls and annual financial audits (11469(h)).

State Asset Forfeiture – 15 Percent for Drug/Gang Education Programming (E11002900)

In accordance with California Health and Safety Code, Section 11489, 15 percent of funds distributed to the State Narcotics Case Assets Project (E11002800) are deposited into the State 15 Percent for Drug/Gang Education Programming Project (E11002900). This funding must be used for programs designed to combat drug abuse and divert gang activity.

All expenditures must also be approved by a panel consisting of the Chief of Police, Sacramento County Sheriff, Sacramento County District Attorney, and Sacramento County Chief Probation Officer.

Guidelines for Use

- Funding shall not be used to replace or supplant local resources (11489(d)).
- No sworn law enforcement officer's employment or salary shall be made to depend upon the level of forfeitures (11469(b)).
- Forfeiture proceeds shall be maintained in a separate fund or account subject to the appropriate accounting controls and annual financial audits.
- Funding can only be used for programs designed to combat drug abuse and divert gang activity.
- Programs shall, wherever possible, involve educators, parents, community-based organizations, local businesses, and uniformed law enforcement officers.
- Programs evaluated as successful shall be given priority.
- Programs must cause the development and continuation of positive intervention programs for high-risk elementary and secondary school-age students.
- Local law enforcement must work in partnership with state and local agencies, and the private sector in administering the programs.

- Distribution of funding must be approved by a panel consisting of the Chief of Police, Sacramento County Sheriff, Sacramento County District Attorney, and the Sacramento County Chief Probation Officer.

Federal Asset Forfeiture – CRIP (11003100)

This asset forfeiture program is no longer active but there is a remaining fund balance. This project was a joint program between the SPD, Sacramento Sheriff's Department, and the Sacramento County Probation Department. The remaining fund balance will be expended during FY2013/14 according to applicable federal guidelines and City Council Resolution 90-271.

Federal Asset Forfeiture - DOT (E11003200)

The authority for the DOT to share federal forfeited property and funding with participating federal, state and local law enforcement agencies is established by federal law (18 U.S.C. § 981(e), 19 U.S.C. § 1616a(c) and 31 U.S.C. §§ 9703 (a)(1)(G) and 9703(h)). The sharing of property and funding is discretionary.

The four primary goals of the DOT's asset forfeiture program are:

- Deprive criminals of property used in or acquired through illegal activities.
- Encourage joint operations among federal, state and local law enforcement agencies, as well as foreign countries.
- Protect the rights of the individual.
- Strengthen law enforcement.

Guidelines for Use

Permissible use for this funding is outlined in the DOT's *Guide to Equitable Sharing for Foreign Countries and Federal, State and Local Law Enforcement Agencies* (http://www.treasury.gov/resource-center/terrorist-illicit-finance/Asset-Forfeiture/Documents/greenbook.pdf). This funding can only be used for law enforcement purposes and the DOT will terminate the sharing of asset forfeiture funds with any law enforcement agency that does not directly benefit from these funds.

Examples of permissible use include:

- Activities that enhance investigations.
- Law enforcement training.
- Law enforcement equipment.

- Law enforcement facilities.
- Awards and memorials.
- Anti-Drug education and awareness programs administered by law enforcement.
- Matching funds for law enforcement grants.
- Pro rata sharing of citywide purchases that support law enforcement activities.
- Asset forfeiture accounting and tracking.

Examples of impermissible use include:

- Salaries and benefits for current, permanent law enforcement personnel
    - Exceptions include overtime for officers and investigators, first-year salary of a new law enforcement position, contractual appointments not exceeding one year, and officers assigned to pre-approved specialized programs that do not generally involve traditional law enforcement functions.
- Payment of salaries for existing positions.
- Use of forfeited property by non-law enforcement personnel.
- Payment of non-law enforcement expenses.
- Use contrary to laws of the state or local jurisdiction.
- Non-official government use of shared assets.
- Purchases of food and beverages.
- Extravagant expenditures.

General guidance:

- Funding must not be used to replace or supplant local resources.
- Interest income on funding is subject to the same guidelines outlined above.
- Anticipated funding should not be budgeted.
- Funding should not be retained unnecessarily.
- All interest earnings must remain in the project.

Federal Asset Forfeiture - DOJ (E11003300)

Federal law allows the DOJ to share federally forfeited property with participating local law enforcement agencies (21 U.S.C § 881(e)(1)(A) and (e)(3), 18 U.S.C. § 981(e)(2), and 19 U.S.C. § 1616a). This authority is discretionary and not required.

The DOJ's primary objective with this program is to support law enforcement. This program is designed to enhance law enforcement objectives by creating cooperation among federal, state and local law enforcement agencies.

Guidelines for Use

Permissible use for this funding is outlined in the DOJ's *Guide to Equitable Sharing for State*

and Local Law Enforcement Agencies
(http://www.justice.gov/usao/ri/projects/esguidelines.pdf*)*. The DOJ will terminate the sharing of asset forfeiture funds with any law enforcement agency that does not directly benefit from these funds.

Examples of permissible use include:

- Activities that enhance investigations.
- Law enforcement training.
- Law enforcement equipment.
- Law enforcement facilities.
- Awards and memorials.
- Anti-Drug education and awareness programs administered by law enforcement.
- Matching funds for law enforcement grants.
- Pro rata sharing of citywide purchases that support law enforcement activities.
- Asset forfeiture accounting and tracking.

Examples of impermissible use include:

- Salaries and benefits for current, permanent law enforcement personnel.
    - Exceptions include overtime for officers and investigators, first-year salary of a new law enforcement position, contractual appointments not exceeding one year, and officers assigned to pre-approved specialized programs that do not generally involve traditional law enforcement functions.
- Payment of salaries for existing positions.
- Use of forfeited property by non-law enforcement personnel.
- Payment of non-law enforcement expenses.
- Use contrary to laws of the state of local jurisdiction.
- Non-official government use of shared assets.
- Purchases of food and beverages.
- Extravagant expenditures.

General guidance:

- Funding must not be used to replace or supplant local resources.
- Interest income on funding is subject to the same guidelines outlined above.
- Anticipated funding should not be budgeted.
- Funding should not be retained unnecessarily.
- All interest earnings must remain in the project.

FIVE-YEAR REVENUE AND EXPENDITURE HISTORY

Fund: 2703 – Externally Funded Program
Projects: E11002700, E11002800, E11002900, E11003100, E11003200, E11003300

	FY2008/09	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14 (As of 03.25.2014)
BEGINNING FUND BALANCE	**2,857,116**	**2,827,638**	**3,438,371**	**3,331,903**	**931,767**	**1,274,875**
REVENUES & INTEREST	**386,824**	**697,299**	**414,233**	**396,527**	**471,104**	**346,926**
EXPENDITURES						
Administration and Prior Year Adjustments	14,431	9,860	(17,303)	6,960	5,904	564
Air Operations Support	290,865	28,608	157,658	12,771	16,949	9,077
Drug/Gang Education Programs	17,885	19,598	9,431	111,375	41,194	35,229
Informant Pay	38,004	14,053	2,814	-	13,301	1,300
NextGen Project (In Car Camera and Computer System)	-	-	-	2,641,069	23,783	-
Safety Equipment	8,852	6,157	348,399	9,913	26,865	110,844
Support for Specialty Units	1,706	-	272	14,575	-	6,217
Technology Improvements	43,346	290	18,621	-	-	4,312
Training	1,213	8,000	809	-	-	248
TOTAL EXPENDITURES	**416,302**	**86,566**	**520,701**	**2,796,663**	**127,996**	**167,791**
ENDING FUND BALANCE	**2,827,638**	**3,438,371**	**3,331,903**	**931,767**	**1,274,875**	**1,454,010**