



## Budget and Audit Committee Report

915 I Street, 1<sup>st</sup> Floor

Sacramento, CA 95814

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**File ID:** 2021-00700

June 8, 2021

**Discussion Item 03**

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**Title:** Fiscal Year (FY) 2021/22 Asset Forfeiture Master Plan

**Location:** Citywide

**Recommendation:** 1) Review a Resolution: a) rescinding City Council Resolution 2014-0175 and b) establishing an updated policy for the expenditure of asset forfeiture funding; 2) review a Resolution authorizing the City Manager, or the City Manager's designee to: a) implement the FY2021/22 Asset Forfeiture Master Plan; b) adjust the revenue and expense budgets in the Asset Forfeiture EFP projects (E11008000, E11008100, E11008200, and E11008300) by \$597,740; and c) adjust the allocations proposed in the FY2021/22 Asset Forfeiture Master Plan based on the operational requirements of the Sacramento Police Department; and 3) pass a Motion forwarding the resolutions to City Council for approval.

**Contact:** Daniel Hahn, Chief of Police, (916) 808-0800; Natalie Weaver, Administrative Officer, (916) 808-0864, Police Department

**Presenter:** Daniel Hahn, Chief of Police, (916) 808-0800, Police Department

**Attachments:**

- 1-Description/Analysis
- 2-Resolution 2014-0175
- 3-Resolution (Asset Forfeiture Policy)
- 4-Resolution (FY2021/22 Master Plan)
- 5-Exhibit A (FY2021/22 Asset Forfeiture Master Plan)

## Description/Analysis

**Issue Detail:** This report recommends that the Budget and Audit Committee review staff's request to rescind Resolution 2014-0175 (Attachment 2), adopt an updated Asset Forfeiture Expenditure Policy (Attachment 3) and implement the Fiscal Year 2021/22 Asset Forfeiture Master Plan (Attachments 4 and 5). The updated policy reflects permissible uses contained in applicable state and federal asset forfeiture requirements. The proposed FY2021/22 Master Plan allocations are consistent with the permissible uses outlined in the updated policy.

The Sacramento Police Department (SPD) receives a portion of proceeds from seized and forfeited assets pursuant to the Federal Comprehensive Crime Control Act of 1984, the State of California Health and Safety Code Sections 11469 through 11492 (HS §§ 11469 – 11492), and joint agreements with government agencies. The revenues are deposited into multiple Externally Funded Program (EFP) projects. Distribution among the EFP projects is determined by the agency that secured the forfeitures and applicable federal and state law. The administration, budgeting, and expenditure of federal equitable sharing funding is governed by the United States Departments of Justice's and Treasury's Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies; whereas state asset forfeiture funding is governed by HS §§11469 – 11492.

**Policy Considerations:** On June 10, 2014, the City Council approved Resolution 2014-0175 (Attachment 2), which established policy for asset forfeiture appropriations and expenditures. Staff recommends updating the policy to reflect operative federal administrative guidance and state law, as applicable.

Recommendations contained in this report are in accordance with Resolution No. 2020-0123, Section 12.3, which requires Council approval to adjust EFP revenue and expenditure budgets in excess of \$250,000.

**Economic Impacts:** Not applicable.

## Environmental Considerations:

**California Environmental Quality Act (CEQA):** No environmental review is necessary because the recommendations in this report are of an administrative nature and are not considered to be a "project" as defined in the CEQA Guidelines, codified at Title 14, Section 15378 of the California Code of Regulations and Section 21065 of the California Public Resources Code.

**Sustainability:** Not applicable.

**Rationale for Recommendation:** The updated Asset Forfeiture Master Plan Policy reflects updates contained in the July 2018 *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies*, jointly issued by the US Departments of Treasury and Justice as well as changes to state law contained in the Senate Bill 443 (2015-2016).

The intent of federal and state asset forfeiture programs is to provide law enforcement with a mechanism to permanently deprive criminals from accessing assets and proceeds generated by illegal activities and to support law enforcement needs through legal and equitable acquisition and distribution of said assets through due process. By participating in these programs, the SPD receives funding to support: a) operations and investigations; b) training/education, travel, and per diem; c) law enforcement and public safety facilities; d) equipment; e) drug, gang, and other prevention/awareness programs; and f) support of community-based organizations. Both federal and state programs stipulate that forfeiture funds must be used for law enforcement purposes only and cannot replace or otherwise supplant existing resources.

**Financial Considerations:** Since adoption of the Fiscal Year (FY) 2020/21 Asset Forfeiture Expenditure Master Plan (Resolution No. 2020-0143), the SPD has received \$597,740 in asset forfeiture revenues and interest earnings. The SPD proposes the following appropriations:

Allocation Category		Allocation Amount
Law Enforcement Operations and Investigations		200,000
Law Enforcement Training/Education, Travel, and Per Diem		12,074
Law Enforcement & Public Safety Facilities		47,987
Law Enforcement Equipment		206,304
Drug, Gang and Other Prevention/Awareness Programs		22,987
Support for Community-Based Organizations	(State) <sup>1</sup>	83,388
	(Federal) <sup>2</sup>	25,000
<b>Total</b>		<b>\$597,740</b>

1) Mandated allocation; see HS § 11489.

2) No more than \$25,000 annually from US Department of Justice equitable sharing revenue, per the *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies*.

Further details on each of the proposed allocations are included in the Master Plan (Attachment 5 – Exhibit A).

**Local Business Enterprise (LBE):** Not applicable.

## **RESOLUTION NO. 2014-0175**

Adopted by the Sacramento City Council

June 10, 2014

### **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.

Adopted by the City of Sacramento City Council on June 10, 2014, by the following vote:

Ayes: Members Cohn, Fong, Hansen, McCarty, Pannell, Schenirer, and Warren

Noes: None

Abstain: None

Absent: Member Ashby and Mayor Johnson

Attest:

**Shirley A. Concolino**

Digitally signed by Shirley A. Concolino  
DN: cn=Shirley A. Concolino, o=City of Sacramento, ou=City  
Clerk, email=sconcolino@cityofsacramento.org, c=US  
Date: 2014.06.18 13:43:24 -07'00'

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Shirley Concolino, City Clerk

**Resolution No.**

[DATE]

Adopted by the Sacramento City Council

**RESCINDING RESOLUTION 2014-0175 AND UPDATING POLICY FOR  
ASSET FORFEITURE APPROPRIATIONS**

**BACKGROUND**

1. On June 10, 2014, the City Council adopted the Asset Forfeiture Master Plan Policy (Resolution 2014-0175), which established guidelines for Asset Forfeiture appropriations and expenditures. A revised policy is recommended to remain concurrent with federal guidance and state law.
2. This updated policy reflects changes contained in the July 2018 *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies*, jointly issued by the US Departments of Justice and Treasury.
3. This updated policy reflects changes contained in Senate Bill 443 (2015-2016), which establishes limits for state and local government participation in state asset forfeiture and federal equitable sharing programs.

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

Section 1. Resolution 2014-0175 is rescinded.

Section 2. The following policy is established for the use of asset forfeiture and equitable sharing funds:

- A) On an annual basis, the SPD will present an Asset Forfeiture Master Plan to the City Council for approval. The Asset Forfeiture Master Plan must be approved by City Council prior to the appropriation, obligation, and expenditure of asset forfeiture funds.
- B) Asset forfeiture and equitable sharing appropriations and expenditures shall not be used for any purpose that would constitute an illegal or improper use of funds or property under the laws, rules, regulations and orders of the State of California and City of Sacramento.
- C) Asset forfeiture and equitable sharing appropriations shall only be used by eligible law enforcement agencies and exclusively for law enforcement purposes, in a manner consistent with applicable federal, state, and local laws, rules, regulations, orders, and guidance.



- D) Asset forfeiture and equitable sharing appropriations and expenditures shall not be budgeted in advance of actual revenues.
- E) Asset forfeiture and equitable sharing funds may not be used to supplant local funds, nor may local funds supplant asset forfeiture or equitable sharing funds.
- F) Appropriations and Expenditures:
  - a. Federal equitable sharing appropriations and expenditures shall be made in accordance with the *Guide of Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies* (The Guide), jointly issued by the United States Treasury Departments of Treasury and Justice.
  - b. State asset forfeiture appropriations and expenditures shall be made in accordance with the California Health and Safety Code Sections 11469 through 11492, as applicable.
- G) Generally, the permissible uses of asset forfeiture and equitable sharing funds are as follows:
  - i. *Law enforcement operations and investigations:* Support of investigations and operations that further law enforcement goals or missions. Examples include reward money (annual dues paid to a crime tip organization or payment for a specific reward for information in a specific case); recruitment and advertisement costs; agency accreditation or agency membership dues (but not individuals' membership dues); asset forfeiture/equitable sharing account maintenance fees; payments to confidential informants; and "buy" money.
  - ii. *Law enforcement training/education, travel, and per diem:* Training of investigators, sworn, and non-sworn law enforcement personnel in any area necessary to perform official law enforcement duties, provided that the training is essential to employees' regular duties. Costs associated with travel and transportation to perform or in support of law enforcement duties and activities must be in accordance with the jurisdiction's per diem policy and must not create the appearance of extravagance or impropriety. Examples include training/conference registration fees, tuition, speaker fees, or

costs to produce training curricula in addition to employee per diem, lodging, and transportation costs.

- iii. *Contracts for services:* Costs associated with a contract for a specific service that supports or enhances law enforcement is permitted. Examples include translation and language assistance services, staffing and feasibility studies, auditor to perform an audit of equitable sharing funds, subject matter expert, grant writer, or software developer. Employment-related contracts or contracts involving inherently law enforcement functions are prohibited. Examples include hiring an attorney, investigator or civilian personnel to perform tasks typically or previously performed by agency or jurisdiction personnel. Under no circumstances should a contract for service be entered into where the payment of that service is based on a percentage of the seizures and forfeitures of the law enforcement agency.
- iv. *Law enforcement and public safety facilities:* Costs associated with the lease, purchase, construction, expansion, improvement or operation of law enforcement and public safety facilities. Examples include costs of leasing, operating, and furnishing owned and occupied facilities. Improvements to leased facilities is prohibited. Certain improvements or expansion projects require prior approval from the US Department of Justice, refer to The Guide for further.
- v. *Law enforcement equipment:* Costs with the purchase, lease, maintenance (including repairs or service agreements), or operation of law enforcement equipment for use by law enforcement personnel that supports law enforcement activities. Examples include furniture; file cabinets; office supplies; telecommunications equipment; copiers; safes; fitness equipment; computers; computer accessories and software; body armor; uniforms; firearms; radios; electronic surveillance equipment; vehicles (e.g., patrol and unmarked vehicles); and animals and animal-related expenses.
- vi. *Drug, gang, and other prevention or awareness programs:* Costs associated with the law enforcement agency's delivery of prevention and/or awareness programs. Examples include public service announcements, meeting costs, motivational speakers, and items used or distributed by the agency such as child identification kits and anti-crime items, literature, or software. This does not include support of programs provided by community-based organizations.

*vii. Support of community-based organizations:*

US Department of Justice Equitable Sharing Funds: Transfers of equitable sharing funds to community-based, non-profit 501(c)(3) or (4) organizations whose stated missions are supportive of and consistent with a law enforcement effort, policy, and/or initiative. The law enforcement agency may expend up to a total of \$25,000 annually to support such organizations. Examples include drug treatment facilities, job skills programs, or youth programs with drug and crime prevention education. Equitable sharing funds used in this manner are subject to subrecipient monitoring requirements contained in the Office of Management & Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

US Department of Treasury Equitable Sharing Funds: Support of community-based organizations is not a permissible use of equitable sharing funds received from the US Department of the Treasury.

California Health and Safety Asset Forfeiture Funds: As stipulated in California Health and Safety Code Section 11489, 15 percent of asset forfeiture funds disbursed to the Sacramento Police Department must be maintained in a separate account and shall be used for the sole purpose of funding programs designed to combat drug use and divert gang activity and to cause the development and continuation of positive intervention programs for high-risk elementary and secondary school-age students. Awards made to community-based organizations under California asset forfeiture statutes are not subject to federal subrecipient monitoring requirements.

*viii. Other types of permissible uses.* Other permissible uses also defined in The Guide include:

1. Joint law enforcement/public safety operations
2. Law enforcement awards and memorials
3. Matching grants

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

[Date]

### **Fiscal Year (FY) 2021/22 Asset Forfeiture Master Plan**

#### **BACKGROUND**

- A. The Sacramento Police Department receives a portion of proceeds from seized/forfeited assets pursuant to the Federal Comprehensive Crime Control Act of 1984, State of California Health and Safety Code Sections 11469 through 11495, and joint agreements with other government agencies.
- B. Depending on the agency that secured the forfeiture, and applicable Federal and State legislation, the revenues are deposited into the following Externally Funded Program (EFP) projects:
  - 1. State Asset Forfeiture, California Health & Safety Code Sections 11469 – 11495
    - a. E11008000: Narcotics
    - b. E11008100: Narcotics (Burton Fund)
  - 2. Federal Asset Forfeiture, Federal Comprehensive Crime Control Act of 1984
    - a. E11008200: U.S. Department of Treasury
    - b. E11008300: U.S. Department of Justice
- C. The administration, budgeting, and expenditure of asset forfeiture funding is governed by the *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies*, jointly issued by the U.S. Departments of Treasury and Justice in July 2018; or the California Health & Safety Code Sections 11469 through 11495, as applicable.
- D. The FY2021/22 Asset Forfeiture 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 FY2021/22 Asset Forfeiture Master Plan.
- Section 2. The City Manager, or the City Manager's designee, is authorized to adjust the expenditure and revenue budgets in the Asset Forfeiture EFPs (E11008000, E11008100, E11008200, and E11008300) by \$597,740.

Section 3. The City Manager, or the City Manager's designee, is authorized to adjust the allocations proposed in the FY2021/22 Asset Forfeiture Master Plan based on the operational requirements of the Sacramento Police Department.

Table of Contents:

Exhibit A – FY2021/22 Asset Forfeiture Master Plan

## Attachment 5 - Exhibit A



### **FY2021/22 ASSET FORFEITURE MASTER PLAN**

The Sacramento Police Department (SPD) respectfully submits its annual Asset Forfeiture Master Plan (Master Plan). The Master Plan includes an overview, revenue summary, and proposed expenditure plan, and funding restrictions and guidelines.

#### **OVERVIEW**

The general intent of asset forfeiture and equitable sharing programs is to permanently deprive criminals from accessing assets and proceeds acquired through illegal activities. Asset forfeiture funding supports anti-drug/gang programming for youth and other law enforcement needs through legal and equitable acquisition of assets through due process.

Asset Forfeiture funds are generated by SPD as a result of the Department's participation in the seizure and subsequent forfeiture of tangible property or cash resulting from successful investigations. The Asset Forfeiture Program (Program) is regulated by the Federal Comprehensive Crime Control Act of 1984, State of California Health and Safety Code Sections 11469 through 11492, and joint agreements with other government agencies. Depending upon the legal authority for forfeiture and the entities involved, the revenues are deposited into Externally Funded Projects (EFPs) (Fund 2703).

Federal and State regulations require that program funding only be used by law enforcement agencies for law enforcement purposes and prohibit funds from being used to supplant resources that would otherwise be made available to existing programs. In addition, guidelines specifically prohibit budgeting for anticipated revenues. Specific details on the regulations pertaining to the expenditure of program funds are provided in the following pages.

## REVENUE SUMMARY

Since the adoption of Resolution 2020-0143, the SPD has received \$597,740 in new asset forfeiture disbursements and interest earnings:

Project Name/Number	Revenue <sup>1</sup>
State Asset Forfeiture, Narcotics (E11008000)	460,764
State Asset Forfeiture, Narcotics – Burton Fund <sup>2</sup> (E11008100)	83,388
Equitable Sharing – US Department of Treasury <sup>3</sup> (E11008200)	6,516
Equitable Sharing – US Department of Justice <sup>3</sup> (E11008300)	47,072
<b>Total</b>	<b>\$597,740</b>

1) Includes prior fiscal year interest earnings; all amounts rounded to the nearest dollar.

2) As required by California Health & Safety Code (HS) section 11489 (HS § 11489), of the 65 percent of forfeited assets received by SPD, 15 percent must be deposited and maintained in a separate account and used for the “sole purpose of funding programs designed to combat drug abuse and divert gang activity [...] to cause the development and continuation of positive intervention programs for high-risk elementary and secondary school-age students.”

3) Due to the prohibition set forth in HS section 11471.2, SPD has neither requested nor received any portion of proceeds from federally-forfeited property unless the defendant was convicted in a related criminal proceeding of an offense for which property is subject to forfeiture pursuant to HS § 11470 or HS § 11488. A criminal conviction is not required in “any case in which the forfeited property is cash or negotiable instruments of a value of not less than forty thousand dollars (\$40,000)” (HS §11471.2).

## PROPOSED EXPENDITURE PLAN

The SPD proposes the following funding allocations:

Allocation Category		Allocation Amount
Law Enforcement Operations and Investigations		200,000
Law Enforcement Training/Education, Travel and Per Diem		12,074
Law Enforcement and Public Safety Facilities		47,987
Law Enforcement Equipment		206,304
Drug, Gang, and other Prevention/Awareness Programs		22,987
Support of Community Based Organizations	State <sup>1</sup>	83,338
	Federal <sup>2</sup>	25,000
<b>Total</b>		<b>597,740</b>

1) Mandated allocation; see HS § 11489.

2) No more than \$25,000 annually per the *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies* ("Guide").

The allocation categories are generally defined as follows:

**Law enforcement operations and investigations:** Support of investigations and operations that further law enforcement goals or missions. Examples include reward money (annual dues paid to a crime tip organization or payment of a specific reward for information in a specific case); recruitment and advertising costs; agency accreditation or agency membership dues (but not individuals' membership dues); asset forfeiture/equitable sharing account maintenance fees; payments to confidential informants; and "buy" money.

**Law enforcement training/education, travel, and per diem:** Training of investigators, sworn, and non-sworn law enforcement personnel in any area necessary to perform official law enforcement duties, provided that the training is essential to employees' regular duties. Costs associated with travel and transportation to perform, or in support of, law enforcement duties and activities, must be in accordance with the jurisdiction's per diem policy and must not create the appearance of extravagance or impropriety. Examples include training/conference registration fees, tuition, speaker fees, or costs to produce training curricula in addition to employee per diem, lodging, and transportation costs.



**Law enforcement and public safety facilities:** Costs associated with the lease, purchase, construction, expansion, improvement or operation of law enforcement and public safety facilities. Examples include costs of leasing, operating, and furnishing owned and occupied facilities. Improvements to leased facilities is prohibited. Certain improvements or expansion projects require prior approval from the US Department of Justice. (See the Guide).

**Law enforcement equipment:** Costs with the purchase, lease, maintenance (including repairs or service agreements), or operation of law enforcement equipment for use by law enforcement personnel that supports law enforcement activities. Examples include furniture; file cabinets; office supplies; telecommunications equipment; copiers; safes; fitness equipment; computers; computer accessories and software; body armor; uniforms; firearms; radios; electronic surveillance equipment; vehicles (e.g., patrol and unmarked vehicles); and animals and animal-related expenses.

**Drug, gang and other prevention/awareness programs:** Costs associated with the law enforcement agency's delivery of awareness programs. Examples include public service announcements, meeting costs, motivational speakers, and items used or distributed by the agency such as child identification kits and anti-crime items, literature or software. This does not include monetary support of programs provided by community-based organizations.

**Support of community-based organizations:** Transfers of shared US Department of Justice equitable sharing funds to community-based non-profit 501(c)(3) or (4) organizations, the stated missions of which are supportive of and consistent with a law enforcement effort, policy, and/or initiative. An agency may expend up to a total of \$25,000 of eligible equitable sharing funds annually to support such organizations. Examples include drug treatment facilities, job skills programs, or youth programs with drug and crime prevention education. Federal equitable sharing funds used in this manner are subject to subrecipient monitoring requirements contained in the Office of Management & Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Support of community-based organizations is not a permissible use of equitable sharing funds received from the US Department of the Treasury.

Under California Health and Safety Code Section 11489, 15 percent of the funds distributed to state, local, or state and local law enforcement entities that participated in the seizure proceedings must be maintained in a separate account and shall be used for the sole purpose of funding programs designed to combat drug use and divert gang activity to cause the development and continuation of positive intervention programs for high-risk elementary and secondary school-age students.

Each of the identified programs is geared towards high-risk elementary and high school students. These programs also include drug abuse and anti-gang activity education and have a proven track record of success. Also, all programs are collaborative and involve partnerships with educators, parents, sworn law enforcement officers, community-based organizations, and local businesses. 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 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 (9<sup>th</sup> through 12<sup>th</sup> grades), structured as a “school within a school.” These academies serve nearly 600 students per year and operate within a close family-like atmosphere, integrating academic and career technical education. The 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 Foundation, the Academies are operated in partnership with the California Department of Education, Sacramento City Unified School District, Twin Rivers School District, Closing the Gap (Non-Profit 501(c)(3)), Harvego Family Foundation, and the Target Foundation. The Academy has a proven track record of success that includes a 96 percent graduation rate and a 98 percent college entrance rate.

**Sacramento Police Foundation, Cadet Program:** The Foundation, in partnership with SPD and local businesses, restored the Cadet Program for teenagers and young adults, 14-21 years of age. The Program includes a curriculum that prepares youth for a future in law enforcement or other community service-based careers. Participants receive education on various aspects of the SPD as well as the criminal justice system, community-oriented policing, and other law enforcement-related subjects. Additional life-building skills such as anti-drug and anti-gang education, public speaking, résumé building, making good first impressions, work ethic, and teamwork complete the curriculum. Cadets are required to perform community service in the Sacramento area which may include assisting with traffic control, security, decoy operations, and fingerprinting. Asset forfeiture funding will only be used to support teenagers, ages 14-18, participating in the program. Financial support for young adult participants will come from alternative sources.

**Sacramento Police Foundation, Sacramento Police Activities League (SacPAL):** SacPAL is program that serves more than 700 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 employees and community members, and partners with the City of Sacramento Youth, Parks & Community Enrichment Department, Sacramento City Unified School District, Sacramento County Probation Department, 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 rugby, mountain biking, teen nights, fishing derbies, and boxing.

**Kops-N-Kids Summer Camp:** Since 1986, 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 curricula in gang resistance, drug awareness, and violence prevention. Approximately 300 participants have attended the camp each year.

**City of Refuge, Sacramento:** The City of Refuge is a 501(c)(3) non-profit organization that provides intervention/supportive services following on-campus programs for school-aged youth. Efforts include: one-on-one mentoring and intervention services for students needing emotional support, experiencing trauma, and/or needing to complete community service for probation. The City of Refuge provides youth with positive opportunities to engage outside of school such as paid internships through a youth workforce readiness program. The City of Refuge's goal is to help create and foster a more healthy, inclusive and restorative school climate at each school served. Efforts in youth workforce development are aimed at students most at-risk for potential gang involvement and or other activities that would hinder their growth and success. The City of Refuge works closely with students who are on the fringes and are guided back towards healthy opportunities and provided community support.

**Improve Your Tomorrow:** Improve Your Tomorrow (IYT) provides a college academy program that serves young men of color at traditional middle and high schools. Students can enter the program anytime from 7th to 11th grade and continue with IYT through college graduation. The program serves 1,500 students in nineteen middle and high schools in Sacramento County.

**Neighborhood Wellness Foundation:** Funding awarded to Neighborhood Wellness Foundation includes support of youth mentoring, restorative civic engagement, educational field trips, and the Innovators Academy.

## **FUNDING RESTRICTIONS AND GUIDELINES**

Depending upon the Federal or State legislation by which an asset is recovered, revenues are deposited into the following Externally Funded Program (EFP) projects:

### **State Asset Forfeiture**

- 1) Narcotics Investigations, E11008000
- 2) Narcotics Investigations, Burton Fund, E11008100

### **Federal Asset Forfeiture**

- 1) Department of Treasury, E11008200
- 2) Department of Justice, E11008300

Following is a description of each of the projects, accompanied by applicable guidelines:

### **State Asset Forfeiture, Narcotics Investigations (E11008000)**

In accordance with California Health and Safety Code Sections 11469 through 11492, and a memorandum of understanding with the Sacramento County District Attorney's Office, all property forfeited under the provisions of this code shall be distributed amongst the seizing law enforcement agency or agencies, the Sacramento County District Attorney's Office, the State of California, and a private nonprofit organization comprised of local prosecutors that provides education and training for prosecutors and law enforcement in program ethics and proper application of laws of the applicable Health and Safety Code sections.

#### Guidelines for Use

- Funding must be used to support law enforcement efforts (HS § 11489(d))
- Funding shall not be used to replace or supplant local resources (HS § 11489(d))
- No sworn law enforcement officer's employment or salary shall be made dependent upon the level of forfeitures (HS § 11469(b))
- Forfeiture proceeds shall be maintained in a separate fund or account subject to the appropriate accounting controls and annual financial audits (HS § 11469(h))
- Seizing agencies shall implement training for officers assigned to forfeiture programs, which training should be ongoing (HS § 11469(e)).

### **State Asset Forfeiture, Narcotics Investigations, Burton Fund (E11008100)**

In accordance with California Health and Safety Code Sections 11469 through 11492, and a memorandum of understanding with the Sacramento County District Attorney's Office, 15 percent of funds distributed to the State Narcotics Investigations Project (E11008000) must be maintained in a separate account for youth programming dedicated to anti-drug/gang education. Expenditures 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.

Guidelines for Use

- Funding must be used to support law enforcement efforts (HS § 11489(d))
- Funding shall not be used to replace or supplant local resources (HS § 11489(d))
- No sworn law enforcement officer's employment or salary shall be made dependent upon the level of forfeitures (HS § 11469(b))
- Forfeiture proceeds shall be maintained in a separate fund or account subject to the appropriate accounting controls and annual financial audits (HS § 11469(h))
- Seizing agencies shall implement training for officers assigned to forfeiture programs, which training should be ongoing (HS § 11469(e)).
- Funds shall be used "for the sole purpose of [supporting] programs designed to combat drug abuse and divert gang activity" (HS § 11489(b)).
- Funding "shall wherever possible involve educators, parents, community-based organizations and local businesses, and uniformed law enforcement officers" (HS § 11489(b)).
- Programs must cause the development and continuation of positive intervention programs for high-risk elementary and secondary-age students (HS § 11489(b)).
- 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 (HS § 11489(b)).

**Federal Asset Forfeiture, Department of Treasury (E11008200)**

The authority for the Department of Treasury (DOT) to share federally forfeited assets with participating federal, state, and local law enforcement agencies is set forth in federal law (18 USC §981(e), 19 USC §1616a(c) and 31 USC §§9703(a)(1)(G) and 9703(h)). The sharing of forfeited assets is discretionary.

Guidelines for Use:

Permissible uses for this funding are outlined in the *Guide to Equitable Sharing State, Local, and Tribal Law Enforcement Agencies* (<https://www.treasury.gov/resource-center/terrorist-illicit-finance/Asset-Forfeiture/Documents/2018-Justice-Treasury-Joint-EQS-Guide-final-equitable-sharing.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 uses include:

- Law enforcement operations and investigations
- Law enforcement training and education
- Law enforcement, public safety, and detention facilities
- Law enforcement equipment
- Joint law enforcement/public safety operations
- Contracting for services

- Law enforcement travel
- Awards and memorials
- Drug, gang, and other prevention or awareness programs, but may not support community-based organizations
- Matching funds for law enforcement grants

Examples of impermissible uses include:

- Salaries and benefits for current, permanent law enforcement personnel  
EXCEPTIONS:
  - Matching federal grants
  - Overtime for officers and investigators
  - Salary of an officer hired to replace an officer assigned to a task force
  - Specialized programs
  - First-year salary for a new law enforcement position
  - Temporary or contractual appointments not exceeding six months
- Use of forfeited property by non-law enforcement personnel
- Creation of endowments or scholarships
- Uses contrary to the laws of the state or local jurisdiction
- Personal or political use of shared funds
- Purchases of food and beverages, except during emergency operations
- Extravagant expenditures
- Petty cash, secondary/sub-accounts and stored value cards
- Purchase of items for, or the transfer of funds to, other law enforcement agencies
- Support of Community-based organizations
- Costs related to lawsuits
- Loans
- Money-laundering investigations

General Guidance:

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

**Federal Asset Forfeiture, Department of Justice (E11008300)**

Federal law allows the Department of Justice (DOJ) to share forfeited property with participating state and local law enforcement agencies (21 US §881(e)(1)(A) and (e)(3), 18 USC §981(e)(2), and 19 USC §1616a). Sharing is discretionary and not required.

Guidelines for Use

Permissible uses for this funding are outlined in the *Guide to Equitable Sharing State, Local, and Tribal Law Enforcement Agencies*

(<https://www.treasury.gov/resource-center/terrorist-illicit-finance/Asset->

[Forfeiture/Documents/2018-Justice-Treasury-Joint-EQS-Guide-final-equitable-sharing.pdf](#)). The DOJ will terminate sharing of asset forfeiture funds with any law enforcement agency that does not directly benefit from these funds.

Examples of permissible uses include:

- Law enforcement operations and investigations
- Law enforcement training and education
- Law enforcement, public safety, and detention facilities
- Law enforcement equipment
- Joint law enforcement/public safety operations
- Contracting for services
- Law enforcement travel
- Awards and memorials
- Anti-Drug education and awareness programs organizations
- Matching funds for law enforcement grants

Examples of impermissible uses include:

- Salaries and benefits for current, permanent law enforcement personnel  
EXCEPTIONS:
  - Overtime for officers and investigators
  - First-year salary of a new law enforcement position
  - Contractual appointments not exceeding one year
  - 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
- Uses contrary to the 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