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**DEPARTMENT OF
ANIMAL SERVICES**
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BRENDA F. BARNETTE
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ASSISTANT GENERAL MANAGER
Administration

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ASSISTANT GENERAL MANAGER
Lifesaving

DR. JEREMY PRUPAS
CHIEF VETERINARIAN

October 27, 2020

The Honorable Eric Garcetti
Mayor, City of Los Angeles
200 N. Spring Street, Room 303
Los Angeles, CA 90012

The Honorable City Council
% Councilmember Paul Koretz, Chair
Personnel & Animal Welfare Committee
Room 395, City Hall
200 N. Spring Street
Los Angeles, CA 90012

RE: STATUS OF THE ANIMAL STERILIZATION FUND, PRIORITIZATION OF SPAY/NEUTER SERVICES, AND AUTHORIZATION TO MAKE REAL-TIME CHANGES TO THE NUMBER OF FREE CERTIFICATES AND DISCOUNT COUPONS ISSUED TO CITY RESIDENTS TO PREVENT THE ACCRUAL OF UNFUNDED SPAY/NEUTER LIABILITIES

SUMMARY

On October 13, 2020, the Department of Animal Services (Department) provided the Board of Animal Services Commission (Commission) with a report on the status of the Animal Sterilization Fund due to a projected FY 20-21 funding shortfall caused by reduced budget allocations, salary and related cost reimbursement requirements, and increased spay/neuter demands. At the meeting, the Department requested and the Commission approved the prioritization of spay/neuter services provided by the Department. This action was taken in accordance with Administrative Code Section 5.199 and City practices, to prevent the accrual of unfunded spay/neuter liabilities.

Please find the October 13, 2020 board report attached for your reference.

RECOMMENDATION

Note and file.

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Visit our website at www.LAAnimalServices.com

SUBJECT: Transmittal to Mayor and City Council

RE: STATUS OF THE ANIMAL STERILIZATION FUND, PRIORITIZATION OF SPAY/NEUTER SERVICES, AND AUTHORIZATION TO MAKE REAL-TIME CHANGES TO THE NUMBER OF FREE CERTIFICATES AND DISCOUNT COUPONS ISSUED TO CITY RESIDENTS TO PREVENT THE ACCRUAL OF UNFUNDED SPAY/NEUTER LIABILITIES

FISCAL IMPACT

There is no fiscal impact associated with this report.

Respectfully submitted,



Brenda F. Barnette
General Manager

Attachment: Board Report dated October 13, 2020

cc: Soozy Rios Bellenot, City Administrative Officer
Catherine Chico, Los Angeles Animal Services

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Report to the Board of Animal Services Commissioners

MEETING DATE: October 13, 2020

PREPARED BY: Catherine Chico

REPORT DATE: September 30, 2020

TITLE: Senior Management Analyst II

SUBJECT: STATUS OF THE ANIMAL STERILIZATION FUND, PRIORITIZATION OF SPAY/NEUTER SERVICES, AND AUTHORIZATION TO MAKE REAL-TIME CHANGES TO THE NUMBER OF FREE CERTIFICATES AND DISCOUNT COUPONS ISSUED TO CITY RESIDENTS TO PREVENT THE ACCRUAL OF UNFUNDED SPAY/NEUTER LIABILITIES

BOARD ACTION RECOMMENDED:

1. **NOTE AND FILE** information pertaining to the funding status of the Animal Sterilization Fund.
2. **APPROVE** the prioritization of spay/neuter services as recommended by the Department of Animal Services.
3. **GRANT** the Department of Animal Services the authority to make real-time changes to the number of Free Certificates and Discount Coupons issued to individual City of Los Angeles residents through the Voucher Program based upon funding availability in the Animal Sterilization Fund to prevent the accrual of unfunded spay/neuter liabilities.
4. **FORWARD** this report to the City Council and Mayor as a note and file.

BACKGROUND:

In 1977, the City established the Animal Sterilization Fund (Fund) through Ordinance No. 149,721. Funding is generated through the collection of license fees, adoption fees, forfeiture of D-300 prepayments, budget appropriations, and donations. Expenditures from the fund are made for the purpose of providing pet sterilizations and for the purposes as stated in Subsection (h) of Administrative Code Section 5.199. These purposes include spay/neuter surgeries associated with adoptions, pre-adoptions, low income mobile events, and the Voucher Program.

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Report to the Board of Animal Services Commissioners

SUBJECT: STATUS OF THE ANIMAL STERILIZATION FUND, PRIORITIZATION OF SPAY/NEUTER SERVICES, AND AUTHORIZATION TO MAKE REAL-TIME CHANGES TO THE NUMBER OF FREE CERTIFICATES AND DISCOUNT COUPONS ISSUED TO CITY RESIDENTS TO PREVENT THE ACCRUAL OF UNFUNDED SPAY/NEUTER LIABILITIES

Prior to FY 16-17, the Fund historically ended each fiscal year with a surplus balance of approximately \$5 Million. However, subsequent fiscal years were impacted by reduced budgets, salary and related cost reimbursement requirements, and increased spay/neuter demands. Based upon current projections, the Department has identified a potential year-end deficit of approximately \$500,000.

FY 20-21 PROJECTIONS	Revenue*	Expenditures**	Monthly Balance
FY 20-21 Beginning Balance			\$1,112,714.12
July	\$79,390.22	\$142,546.75	\$1,049,557.59
August	\$80,228.53	\$182,911.75	\$946,874.37
September	\$134,587.49	\$152,702.25	\$928,759.61
October	\$75,000.00	\$195,000.00	\$808,759.61
November	\$75,000.00	\$195,000.00	\$688,759.61
December	\$80,000.00	\$205,000.00	\$563,759.61
January	\$80,000.00	\$205,000.00	\$438,759.61
February	\$85,000.00	\$215,000.00	\$308,759.61
March	\$85,000.00	\$215,000.00	\$178,759.61
April	\$90,000.00	\$225,000.00	\$43,759.61
May	\$90,000.00	\$225,000.00	-\$91,240.39
June	\$200,000.00	\$600,000.00	-\$491,240.39
	\$1,154,206.24	\$2,758,160.75	Ending Balance

*Includes budget allotments, UB transfers, grants and one-time transfers.
 **Includes salary and related cost reimbursements.

The Department's Voucher Program provides a maximum of three (3) discount and three (3) free vouchers per address for eligible City of Los Angeles residents. Discount Coupons provide a \$50 or \$30 discount off the spay/neuter cost at any of the Department's participating veterinary partners for City of Los Angeles residents. Free certificates cover the full spay/neuter cost, as established by the City Council, at any of our participating veterinary partners. Free Certificates are only issued to low income, City of Los Angeles residents who provide proof of eligibility or self-certify their eligibility.

SUMMARY:

Impacts associated with reduced annual budget allocations, salary and related cost reimbursement requirements, and demand for services necessitate the ability for the Department to make real-time changes to the number of Free Certificates and Discount Coupons issued through the Voucher Program to prevent the accrual of unfunded liabilities.

Report to the Board of Animal Services Commissioners

SUBJECT: STATUS OF THE ANIMAL STERILIZATION FUND, PRIORITIZATION OF SPAY/NEUTER SERVICES, AND AUTHORIZATION TO MAKE REAL-TIME CHANGES TO THE NUMBER OF FREE CERTIFICATES AND DISCOUNT COUPONS ISSUED TO CITY RESIDENTS TO PREVENT THE ACCRUAL OF UNFUNDED SPAY/NEUTER LIABILITIES

To ensure compliance with mandatory spay/neuter laws and service access to low income communities and unhoused individuals, the Department recommends the following service prioritization:

Spay/Neuter Program Prioritization	
#1	Adoptions
#2	Mobiles
#3	Vouchers

Prioritization is based on the following:

1. Adoptions
 - California's Food and Agriculture Code mandates shelter animals be sterilized prior to being released.
 - Sterilizations costs are partially funded by adoption fees, therefore, adoption related surgeries are designated with the highest priority.
2. Mobiles
 - Services target low income areas of the City and provide a service to City residents who may not have access to transportation or services reachable by public transportation.
3. Vouchers
 - The Vet Portal which is used to electronically distribute Vouchers provides the Department with the means to adjust the number of Free Certificates and/or Discount Coupons issued based upon available funding at any given time.
 - Vouchers can be limited to low income residents and unhoused individuals thus ensuring spay/neuter services are provided to those most in need.

The Department requests approval of the prioritization of spay/neuter services as recommended in this report and authorization to reduce the number of Free Certificates and Discount Coupons issued through the Voucher Program to prevent the accrual of unfunded liabilities.

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FISCAL IMPACT:

Approval of this request will not impact the General Fund but will prevent the accrual of unfunded liabilities, in conformance with City policies.

Approved:

Brenda F. Barnette

Brenda F. Barnette, General Manager

BOARD ACTION:

☒	Passed	☐	Disapproved
☐	Passed with noted modifications	☐	Continued
☐	Tabled	☐	New Date