

**CITY OF LOS ANGELES
INTERDEPARTMENTAL MEMORANDUM**

Date: November 6, 2025

To: Budget and Finance Committee

From: Stephen David Simon, Executive Director 
Department on Disability

Subject: **Special study on the feasibility of establishing a fee for service program for Disability to ensure that physical improvements and electronic services such as websites are reimbursed by other City departments, including proprietary departments**

SUMMARY

At its May 2, 2025, hearing, the Los Angeles City Council's Budget, Finance and Innovation Committee requested a Special Study (Council File 25-0600-S77) on cost recovery from the Department on Disability ("DOD").

This Special Study addresses the feasibility of establishing a fee for service for DOD services provided to City departments to facilitate Citywide ADA compliance. Options for implementation and examples from other local government entities are included.

As set forth below, DOD recommends that the City implement Options 1A (annual flat rate cost recovery) in addition to 2A or 2B, and create a workable fee for service program for DOD beginning in Fiscal Year 2026-27.

BACKGROUND

DOD, on behalf of the City of Los Angeles, leads Citywide efforts to provide equitable access and inclusion for people with disabilities, including ensuring full access to City programs, services, activities, facilities, and information, and providing direct services to support constituents with disabilities, including those experiencing or at risk of experiencing homelessness. This memo focuses exclusively on services provided to other City departments.

DOD's work is particularly important as a primary function of the Department is to reduce City liabilities. Related to this area of work, Los Angeles is at a crucial turning point ahead of the Olympics and Paralympics, as well as other major events coming to Los Angeles, including the FIFA 2026 World Cup, and in light of the recent publication of

new state and federal disability regulations.

Services provided by DOD to other City departments include:

1. Services provided directly by DOD staff

DOD staff members currently provide the following specialized services to other City departments, offices, and bureaus (including elected officials and proprietaries):

- Training on myriad accessibility, compliance, communications and other disability-related issues
- Technical assistance advice and consultation in response to inquiries for expertise and through Citywide working groups
- Guidance and instructional materials
- Document remediation
- Special event accessibility support
- Complaint and grievance resolution
- Citywide ADA Self-Evaluation and Transition Plan facilitation and support
- Assistance to ratepayers and constituents with disabilities to assist with participation in City programs

Additionally, DOD serves as the primary liaison to the Los Angeles area disability community and fulfills Citywide disability access compliance requirements, such as maintaining the City's Public Notice and ADA Compliance Officer.

2. Services provided by DOD through contracted vendors

Currently, DOD funds and coordinates the following services for other City departments, offices, and bureaus (including elected officials and proprietaries) that are provided through contracted vendors, listed based on compliance category:

- Facility accessibility assessments¹
- ADA required services, including Sign Language Interpreting (SLI), Communication Access Realtime Translation (CART) and Video Remote Interpreting (VRI)

¹ DOD's services are limited to facility accessibility assessments and leading the development of the Citywide ADA Facilities Self-Evaluation and Transition Plan. Each department is responsible for coordinating and funding implementation of the Transition Plan in order to remove accessibility barriers as required by the ADA, as well as performing new construction and alterations in compliance with disability access standards, and maintaining facilities in compliance with disability access standards. DOD provides technical assistance and training for departments to understand how these obligations apply to their specific circumstances.

OPTIONS

1. Cost recovery for services provided directly by DOD staff

a. Option 1A - Annual flat rate cost recovery

The City Council could decide to charge all departments a mandatory flat rate annually to access DOD's advice and direct services, as listed above. This money would be used to fund DOD staff and programs. If this approach is adopted, each year, DOD would enumerate the services to be provided to departments along with a list of DOD contacts for those services.

The flat rate to be established should be approved by the City Council based on objective criteria, which could include the following: size of department/number of employees, number of City facilities controlled/operated by the department, square footage of City facilities controlled/operated by the department, number of programs operated by the department. DOD believes this is a model worth strongly considering.

An example of this model is Humboldt County, where the ADA Compliance Division charges all county departments/divisions proportionately based on the square footage of space they occupy. Humboldt County's focus on disability compliance issues came after the U.S. Department of Justice filed a complaint against the county for a variety of ADA Title II violations, which was settled in 2016 with a consent decree that required Humboldt County to do the following: bring all county facilities, programs, services and activities into compliance with the ADA, ensure web accessibility; provide curb ramps at all intersections; ensure emergency management procedures and facilities are accessible; and hire a variety of employees to coordinate ADA and accessibility compliance.

At Humboldt County, charges to departments cover ADA Compliance Division salaries, benefits and ancillary costs that all departments benefit from, including training, consultant services for website compliance and more. While this is done on a smaller scale, the resources dedicated to disability accessibility and compliance proportionally far outstrip the City of Los Angeles. Humboldt County, with a total population of less than 140,000 people, has at least 12 employees working directly on disability compliance issues, in addition to administrative staff who support the program. By comparison, the City of Los Angeles, with more than four million residents, has 10 FTEs in DOD working directly on disability compliance issues.

In addition, Marin County is currently developing a cost recovery model for the Disability Access Program wherein each County department would contribute a certain percentage of funding each year to the operating budget of the Disability Access Program to pay for staffing and other activities. While this model has not yet been implemented, Marin

County's stated justification is that the Disability Access Program, much like DOD in Los Angeles, provides internal consulting services to the rest of the County; hence, the justification for distributing the fiscal impact amongst client departments.

Given an adequate flat rate recovery spread across all general funded, special funded and proprietary departments, DOD could foreseeably recover nearly all of its direct salary costs, which are roughly \$3.5 million in the current fiscal year, along with related costs, and potentially even more. This approach also could help the City scale up its disability accessibility and compliance work as other, smaller local entities have done in order to prevent liabilities and ensure legal compliance for programs and services.

b. Option 1B - Per service cost recovery

Another option is to apply a cost recovery mandate on a per-service basis to all services provided by DOD to other City departments. The Council could decide whether such a mandate would apply to all general funded departments, in addition to those that are special funded and proprietary departments.

Such a model is employed by the City of San Diego, which charges everything employees in certain departments do, called enterprise departments, to be charged to an internal order that is set up by general funded departments. In essence, San Diego employees in enterprise departments function as "consultants" that charge other departments for their services. All employee costs are captured in the timekeeping system and charged to the department that is requesting the services.

The City of Fresno employs this method with its Human Resources and Information Technology Departments, which both use internal service fees for their work. Human Resource's work for Departments is reimbursed at 90 percent and Information Technology's work is reimbursed at 100 percent.

At the City of Los Angeles, both the Information Technology Agency (ITA) and Bureau of Engineering (BOE) engage in some level of cost recovery for the provision of services to other City departments by charging fees for some services. On capital projects, BOE has reported that it works with client departments to recover all fees, if possible; however, the bureau reports that it still must absorb some of its costs.

The advantage of this method for DOD would be that the majority of DOD's labor costs would be borne by other departments, but it could also have the negative effect of disincentivizing departments from using DOD's compliance and other legally necessary services due to the amount of costs they would incur. In addition, this option would place greater demands on DOD's already limited administrative staff than option 1A.

c. Option 1C - No cost recovery

The final option is to continue as is, with DOD utilizing mostly general funds and a small amount of special funds. This option would continue the status quo of being underfunded and understaffed proportional to the scope and scale of the City's need for disability access compliance direct services, which is not advisable at this time.

The status quo option is ultimately short sighted, considering the financial risk associated with non-compliance. Adopting a robust cost recovery model for DOD would allow DOD staff to ensure required disability access and compliance services are provided and expanded. If the City does not focus additional resources in a wiser and more efficient manner on following state and federal laws, the City risks opening itself up to additional legal liabilities that could otherwise be avoided.

2. Cost recovery for services provided by DOD through vendors

a. Option 2A - Cost recovery for services provided by DOD through contracted vendors

DOD currently has contracts for providing SLI, CART and VRI services and Certified Access Specialist (CASP) facilities accessibility evaluation services that are available to all City departments; and is reviewing whether or not contracts are needed for providing City materials in alternative formats, including video remediation to support web and mobile app accessibility.

These contracts are funded through DOD's contractual services account: SLI, CART and VRI contracts are covered by the general fund, and CASp contracts are funded through the Certified Access Specialist Certification and Training Fund, which is controlled by the Department of Building and Safety.

DOD also occasionally must pay vendors who do not have contracts with the City directly for accessibility and compliance services to address employee and other public accommodations requested by other City departments. These purchases also could be eligible for cost recovery.

Adopting this option would task DOD with continuing to secure and manage all contracts and vendor assignments for other departments. Once a department uses a contract, DOD would then seek reimbursement for the vendor services provided. This method is deployed in the City of Long Beach where departments are sent invoices for any and all services they use.

This method would be workable, but would increase the administrative burden on DOD; however, this potentially could be surmounted by adding a new position authority or

funding to cover additional intermittent employees to work with DOD accounting staff to collect reimbursements from other departments, or by adopting this option in conjunction with option 1A that accounts for administrative costs.

b. Option 2B - Bench contracts billed directly to responsible department

The option of creating bench contracts and having vendors bill responsible departments directly would work for accessibility-related contracts, such as for SLI, CART and VRI, in addition to the CASp facility accessibility assessment contracts. If additional contracts are budgeted and established for providing materials in alternative formats, this method could also apply to them.

Regarding SLI, CART, and VRI contracts, DOD is allocated an insufficient amount annually, currently \$197,506, to book and provide SLI, CART and VRI services to any City department that has a need for and requests these required services for an event or program. This budget allocation is also intended to pay for all public and employee accommodations. Given the broad purpose of this funding, the amount is highly inadequate to cover actual costs on an annual basis and is already requiring that in accommodation costs sometimes be absorbed by the relevant service/program instead of being paid out of DOD's \$197, 506. The current setup also creates administrative challenges for DOD given its relatively small size.

Changing the arrangement to allow DOD to establish bench contracts with qualified vendors who would then be used by certain requesting departments on a case-by-case basis could alleviate the outsized administrative burden on DOD and allow City departments to work directly with vendors to ensure services are provided and pay them directly as well.

This type of organization is used in the City of Fresno, where the ADA Coordinator works with each department to set up individual accounts with vendors and pay the vendors directly from their department budget.

c. Option 2C - No cost recovery

The final option is to continue operating in the current manner, with DOD utilizing mostly general funds and some special funds for vendor services. This option would continue the status quo of being underfunded and understaffed proportional to the scope and scale of the City's need for contracted services to meet its ADA obligations.

Working toward a common-sense cost recovery model would allow DOD's staff to focus on providing more direct services to other City departments to ensure access and compliance services are appropriately provided and, if possible, expanded, which will help to minimize the City's financial risk associated with non-compliance.

RECOMMENDATION

Direct the CAO and/or the CLA to work with DOD to implement Options 1A (annual flat rate cost recovery) in addition to 2A or 2B, and create a workable fee for service program for DOD beginning in Fiscal Year 2026-27.

FISCAL AND PRACTICAL IMPACTS

Adopting and implementing the recommended options would improve the City's general fund by shifting a large portion of costs for accessibility services to special funds and proprietary-controlled funds. In addition, this overall shift in approach would decrease DOD's administrative burden, thus allowing staff to focus more of their time on compliance efforts. This in turn would minimize risk associated with non-compliance by helping the City better meet its state and federally mandated disability access obligations; prioritizing these critical services and integrating them into each department's planning process and day-to-day work.