

WASHOE COUNTY

CRIME LAB FEE REVIEW

2020

FINAL REPORT



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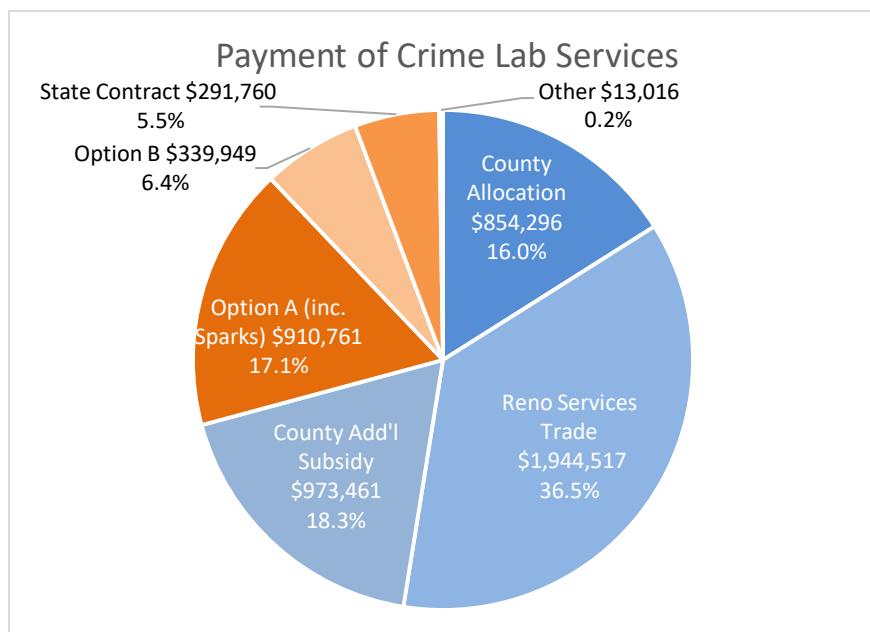
EXECUTIVE SUMMARY

The County of Washoe provides Crime Lab services for 13 of the State's 17 counties—which include 80 local agencies, State agencies, Federal Government agencies, as well as municipal governments in California. Services provided include:

- DNA analysis
- Fingerprint analysis
- Controlled substances analysis
- Firearms analysis
- Forensic Investigation Services (FIS)

Some services (e.g., breath alcohol, DNA analysis of convicted offenders that are arrestees, IBIS/NIBI¹ network data) are mandated services and funded by the State. Most other services are provided on a voluntary basis by the County. If the County did not provide these services, local and State agencies would either have to conduct this analysis on their own or contract with a private company or other public agency. FIS services are on-site services that would be difficult to contract for from outside agencies. If not for the County-provided FIS services, local agencies would require additional staff to perform FIS functions. Overall, the County provides a full spectrum of Crime Lab services that creates economies of scale that are shared between all contracting agencies and the County.

To fund these services, the County has entered into contracts with local, State, and Federal agencies. The contract amounts are based on a fee-calculation methodology that has been in place for several years. The goal of the fee-setting methodology is to fairly allocate service costs to service beneficiaries; however, the County continues to fund a majority of Crime Lab services, as shown as blue slices in the pie chart (right).

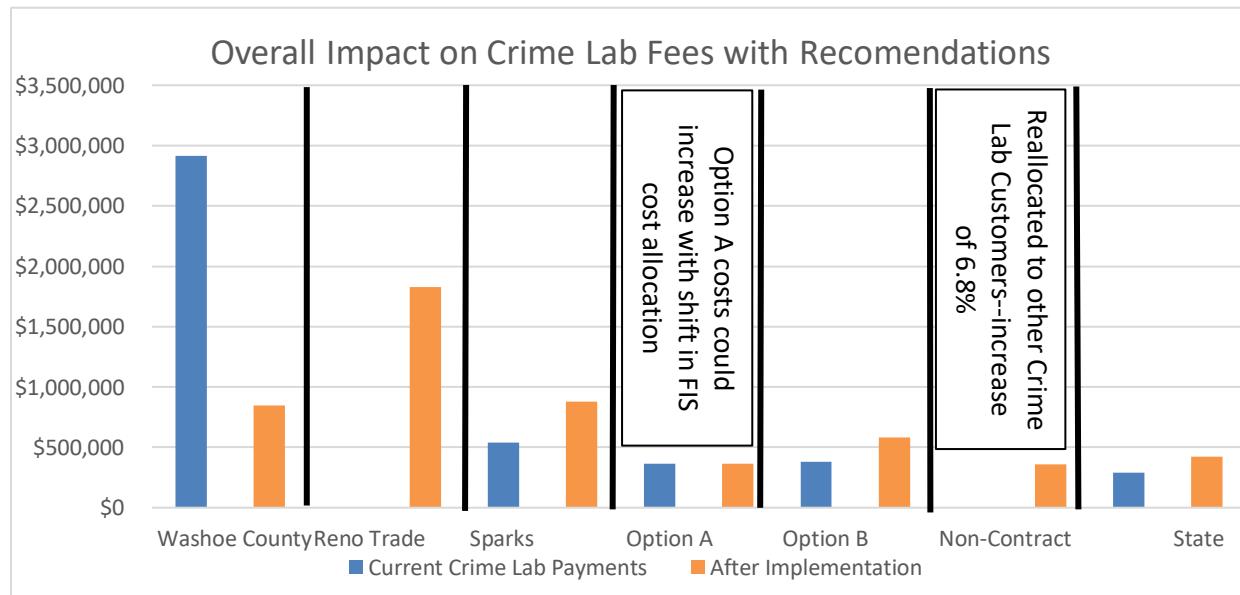


¹ *IBIS = Integrated Ballistics Identification System*
NIBIN = National Integrated Ballistic Information Network

Some of the County subsidy is due to the fee-calculation methodology, some due to a 30-year service swap agreement with the City of Reno for dispatch services, and some with a contract with the State that under-funds services received. To address the County's significant subsidy of Crime Lab expenses in its FY20 contracts—for Reno, Sparks, agencies contracting for FIS services, agencies opting out of FIS services, etc.—this report recommends several courses of action that address:

- Capturing the full cost of services
- Eliminating subsidies of agencies that opt out of Crime Lab services
- Eliminating subsidies of **Option B** contract agencies
- Matching FIS service cost with agencies using FIS services
- Eliminating City of Reno and Sparks subsidies (Note: The Sparks subsidy will not be provided in FY21 contracts)
- Reducing subsidy of State agency services
- Continuing to improve the fee calculation methodology

If implemented, these recommendations will result in a shift of costs to benefiting agencies that will better match the value of services received from the County. The chart below shows the potential impact of these recommendations on the different classes of contracting agencies.



I. INTRODUCTION

Washoe County provides Crime Lab services for most of the cities, counties, and State and Federal agencies serving the northern part of the State. Crime Lab services include the range of typical forensic analysis, including DNA, firearms, and fingerprint analysis. In addition, the County provides Forensic Investigation Services (FIS) for eleven agencies by contract and for other agencies on a per diem basis.

The County's process for setting Crime Lab contract fees was set several years ago and is based on agency services submission data over a three-year period. Additionally, the City of Reno is a large user of Crime Lab services based on an agreement to trade services (the City provides dispatch services in exchange for County Crime Lab services) entered into in 1990. The City of Sparks is the second major user of Crime Lab services but negotiated a payment discount in FY20 that is approximately 60% of their allocated share of services cost.

Overall, the County is receiving approximately 16.0% of Crime Lab services but paying for (including the Reno dispatch trade) 70.8% of the Crime Lab costs. A major thrust of this report is to review the County's fee-setting methodology and recommend ways the County can reduce the subsidy of these critical services.

II. PROJECT SCOPE

Washoe County engaged the services of MRG to provide a high-level assessment of the County's Crime Lab fee program. Elements of the study include:

- Review Cost Allocation workplan
- Update data for crime lab services fee study
- Review Statewide contract fees for services
- Develop fee analysis to be used for negotiating a new agreement with the City of Reno

As the study has progressed, these elements have been addressed, but have also evolved into the information and analysis contained in this report. The major thrust of this project has been to evaluate elements of the current fee program and to address major issues that can be addressed to reduce County subsidy of services for contracting agencies, including the cities of Reno and Sparks.

III. METHODOLOGY

MRG conducted this assessment by means of in-person and telephonic interviews with Finance and Crime Lab staff, a review of documents requested from and/or supplied by the County or sourced by MRG staff, and a brief tour of the Crime Lab offices and overview of services. The documents requested included spreadsheets used by the Sheriff's office to set past fees, current adjusted budgets, past fee calculations, and current submission data.



The analysis of the Crime Lab fee utilized an Excel-based replication of the County fee calculation. This was used to both ground-truth the fee calculation as well as test other fee allocation methods. The County is currently limited in its ability to break down costs by who most uses Crime Lab services, in terms of what procedures cost the most or use the most staff time; therefore, data on examination requests (or “submissions”) are used as a proxy. A portion of the analysis is based on ways to move the County to a more accurate basis of setting fees.

IV. CURRENT CRIME LAB FEE PROGRAM

The County has been using a consistent methodology in setting Crime Lab fees for several years. The basic fee calculation allocates Crime Lab costs to agencies using Crime Lab services based on historical “submissions” for Crime Lab services. “Submissions” are simply defined as requests for services in different areas of the Crime Lab (e.g., DNA, firearms, fingerprint analysis, forensic investigations, etc.).

A submission is a request for services, and does not reflect:

- Time required to complete service
- Impact on the County’s cost of providing the service
- Value to the requesting agency
- Extent of work required for a single case—particular cases often have multiple submissions attached to them

A. Contract Options

The County’s Crime Lab fee program asks agencies to contract for services on either an **Option A** (full services) or **Option B** (excludes FIS services, which are provided on an hourly basis if needed). If an agency does not contract with the County, it has been able to purchase services on a per submission/test basis and is classified as an **Option C** agency.

B. Services Provided

The services provided through the Crime Lab fee contracts are shown in the matrix below. Each of these services are provided on a **voluntary fee basis** to contracting agencies—as opposed to mandated services by State or Federal government agencies. According to the National Clearinghouse for Science, Technology & The Law, Nevada is the only State with centralized evidence laboratories that are not provided by a State office (typically State Police). Hawaii is not listed as having a centralized evidence lab for the State. Due to this lack of a Statewide crime lab, the County has stepped up to provide these services to 13 of the 17 counties in the State. This allows agencies to band together to fund a broad range of services while creating economies of scale to reduce costs to all participants.

Service	Option A	Option B	Non-Contract
Controlled Substances	✓	✓	Per Test
Firearms/Toolmark Exam	✓	✓	Per Test
Latent Print Processing	✓	✓	Per Test
Latent Print Comparison	✓	✓	Per Test
Primary Examination	✓	✓	Per Test
DNA Analysis	✓	✓	Not Available
Forensic Investigation Services (FIS)	✓	\$350/hour/ investigator (min. two)	\$350/hour/ investigator (min. two)
Photo Lab	✓	\$25/CD	\$25/CD
Toxicology	Per Test	Per Test	Per Test

As shown, **Option A** agencies have full access to all Crime Lab services, including FIS. **Option B** agencies have all services except for FIS and the related photo-lab services. FIS and photo-lab services are provided on a per hour or per CD basis. Non-contract agencies have been offered services on a per submission/test basis; however, this will not be offered² in FY21, starting July 1, 2020.

Below is the list of across-the-board service-exclusions:

- DNA analysis of skeletal remains or fired cartridge casings
- Weapons violations
- Possession of stolen property
- Vandalism
- Controlled Substances
- Larceny/Trace evidence analysis/Latent print processing
- Toxicology—is not included for any agency, and must be paid for on a per test basis

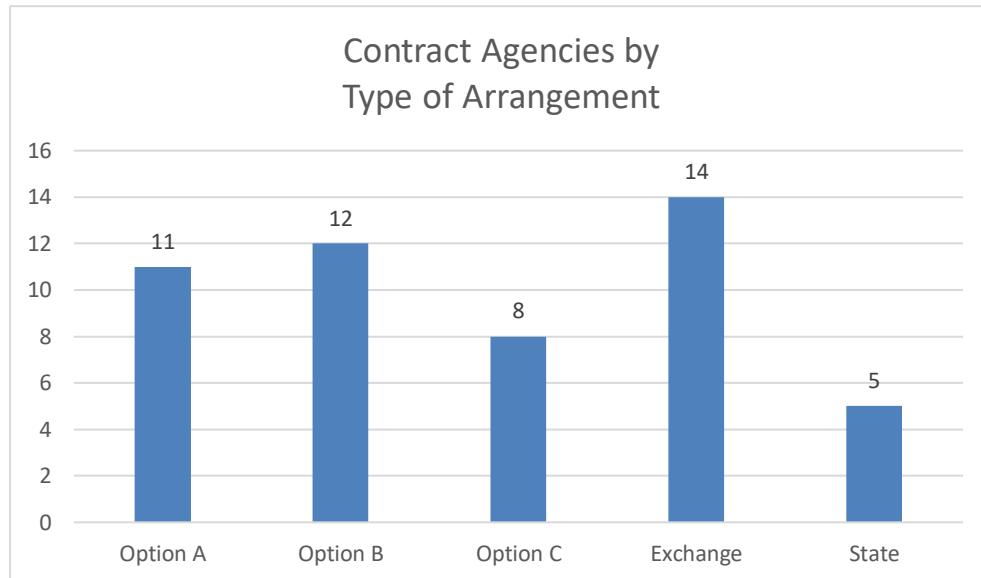
Some services are available to all agencies without charge, including:

- Breath-alcohol analysis
- DNA analysis of convicted offenders and arrestees

² A Federal grant audit concluded that per-test service revenues should be counted as program revenues, reducing grant amounts. This could impact the County's overall funding; therefore, per test (or any per submission/test service, including FIS for **Option B** contracts) is being phased out.

- Integrated ballistic networks (IBIS/NIBI)

The number of agencies under each contract category for FY20 is shown in the graph below.



- **Option A** contracts include the City of Sparks, which received a substantial discount on its allocated cost of service for FY20
- **Option B** contracts exclude FIS services, which can be purchased on an hourly basis³
- **Option C** contracts (and non-contract agencies) include all agencies that have submissions in the past three years but pay for services on a per submission/test basis.⁴
- **Exchanges** include the City of Reno, Reno and Sparks Fire, Reno Tribal, six Federal agencies, and the four Washoe County agencies
- **State** represents agencies served under a State contract of \$291,760 per year for all services

C. Cost of Services

Fees for a fiscal year are based on the adjusted budget for direct costs from the prior year. For example, the FY21 Crime Lab fees will be based on the FY20 adjusted budget. The cost of the Crime Lab services—including FIS—have been allocated without the inclusion of departmental or countywide overhead or capital replacement costs. The table below shows an adjusted FY20 budget of \$5.5 million, including both the allocated overhead from both the Sheriff's Office and County Central Services of \$139,184, combined. This table also shows the split between FIS and other services in the Crime Lab based on FIS share of personnel costs.

³ **NOTE:** FIS services will not be available for **Option B** contract agencies (as they currently are on a per submission/test basis) as of July 1, 2020 (see footnote #2 on page 5)

⁴ **NOTE:** No per submission/test services will be provided to any agency as of July 1, 2020, agencies depending on these services will need to enter into an **Option A or B** contract in order to obtain Crime Lab services. No **Option C** contracts will not be offered in FY21

Crime Lab Costs
FY20 Adjusted Budget and Overhead Allocations

Cost Element	Non-FIS	FIS	Total
Direct Dept. Costs	\$4,467,558	\$860,202	\$5,327,761
SO Overhead	\$79,126	\$15,235	\$94,361
County Central Services	\$37,586	\$7,237	\$44,823
Total Cost	\$4,584,270	\$882,675	\$5,466,945
<i>Percent of Total Budget</i>	<i>83.9%</i>	<i>16.1%</i>	<i>100.0%</i>

Capital replacement cost is not included in the table above. Much of the Crime Lab's equipment has been purchased through Federal and State grants. This has allowed the County to expand and improve services without passing on the cost of that equipment to partner agencies—this may not always be possible. To date, accumulated depreciation of lab equipment is approximately \$2.5 million, with no replacement funds set aside.

D. Submissions and Cost

Costs are allocated to each agency receiving service based on total “submissions” from a contracting agency over a three-year period. Submissions are tracked through the Examination Request Form (see **Appendix A**). This form is used to generate services within the Crime Lab, and each form is considered a “submission” for purposes of determining use of Crime Lab Services.

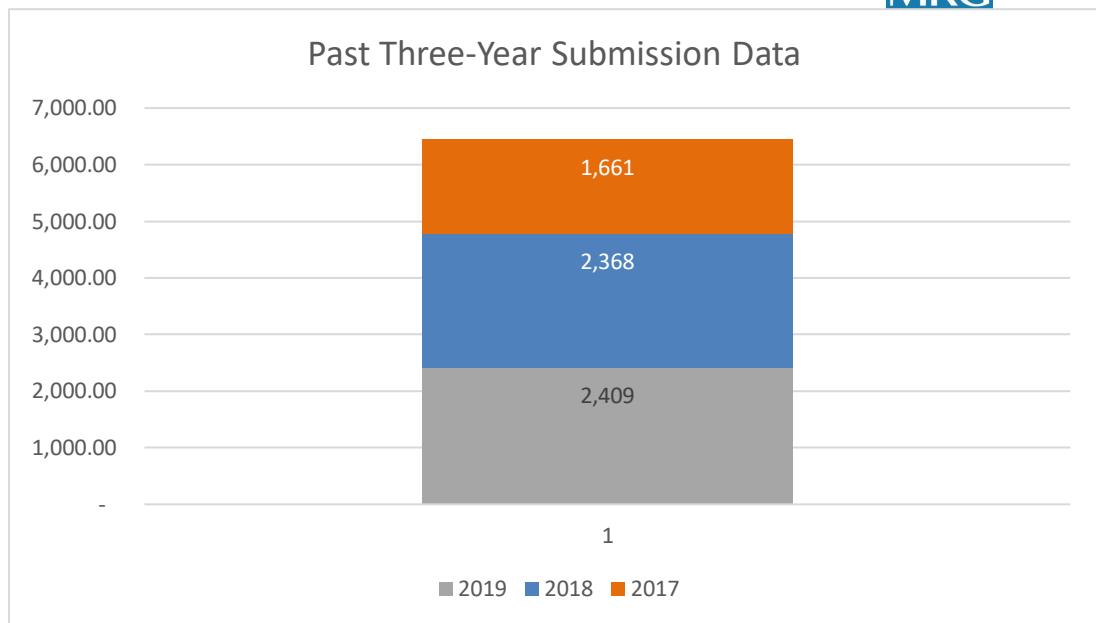
Submissions are differentiated from “cases” in that a case may have multiple submissions. Submissions are not an indicator of time, effort, or cost expended by the Crime Lab, but merely represents a request for specific services. In this way, submissions may not be the best measure for allocating services costs; but currently they are the only measure available to the Crime Lab unit.

One element of cost that is not captured in the Sheriff’s Office budget, or these fees, is Crime Lab staff testimony in criminal trials. The cost of this work is paid by the District Attorney’s office for outside services but borne by the Crime Lab for testimony on Crime Lab work. In addition to any direct cost, there is an impact on productivity in the Crime Lab services and the ability to complete work in a timely fashion.

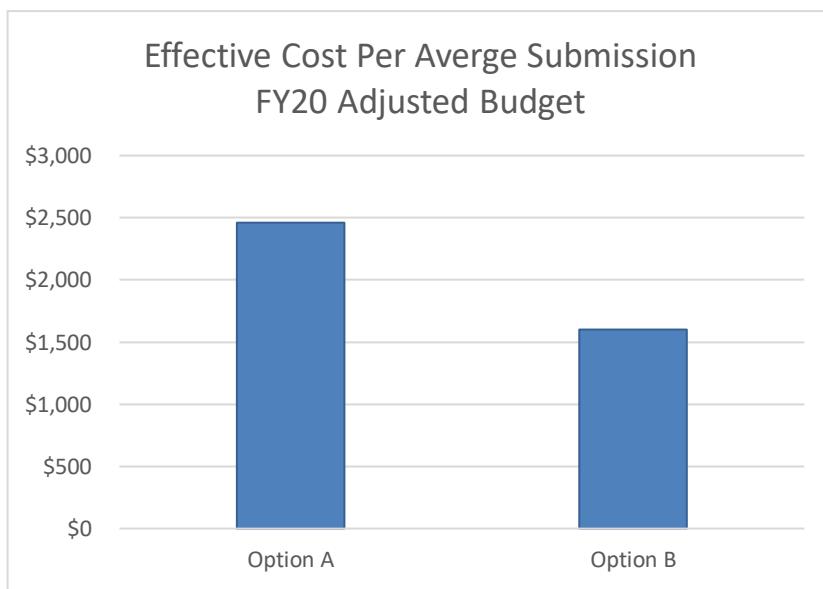
The elimination of per-test and FIS (for non-contract and **Option B** contracts) may increase the DA’s costs for court testimony. This will occur as non-**Option A** agencies hire outside criminologists or crime labs. The DA will have to pay directly for the time of these experts to testify, while County Crime Lab employees who testify are provided at no additional charge to the DA’s budget.

Crime Lab submissions over the past three years have ranged from 1,661 in 2017 to 2,409 in 2019, as shown in the chart to the right. On average this was 2,145 submissions per year.

Total submissions, as well as submissions by agency, vary year-to-year. The use of three years of data provides a smoothing of data, rather than weighting any one year too heavily.



Adjusted budget cost is allocated based on each agency's share of the three years of total submissions. The cost for all services ("Option A"), based on the average annual submissions of 2,145, is \$2,460 per submission.



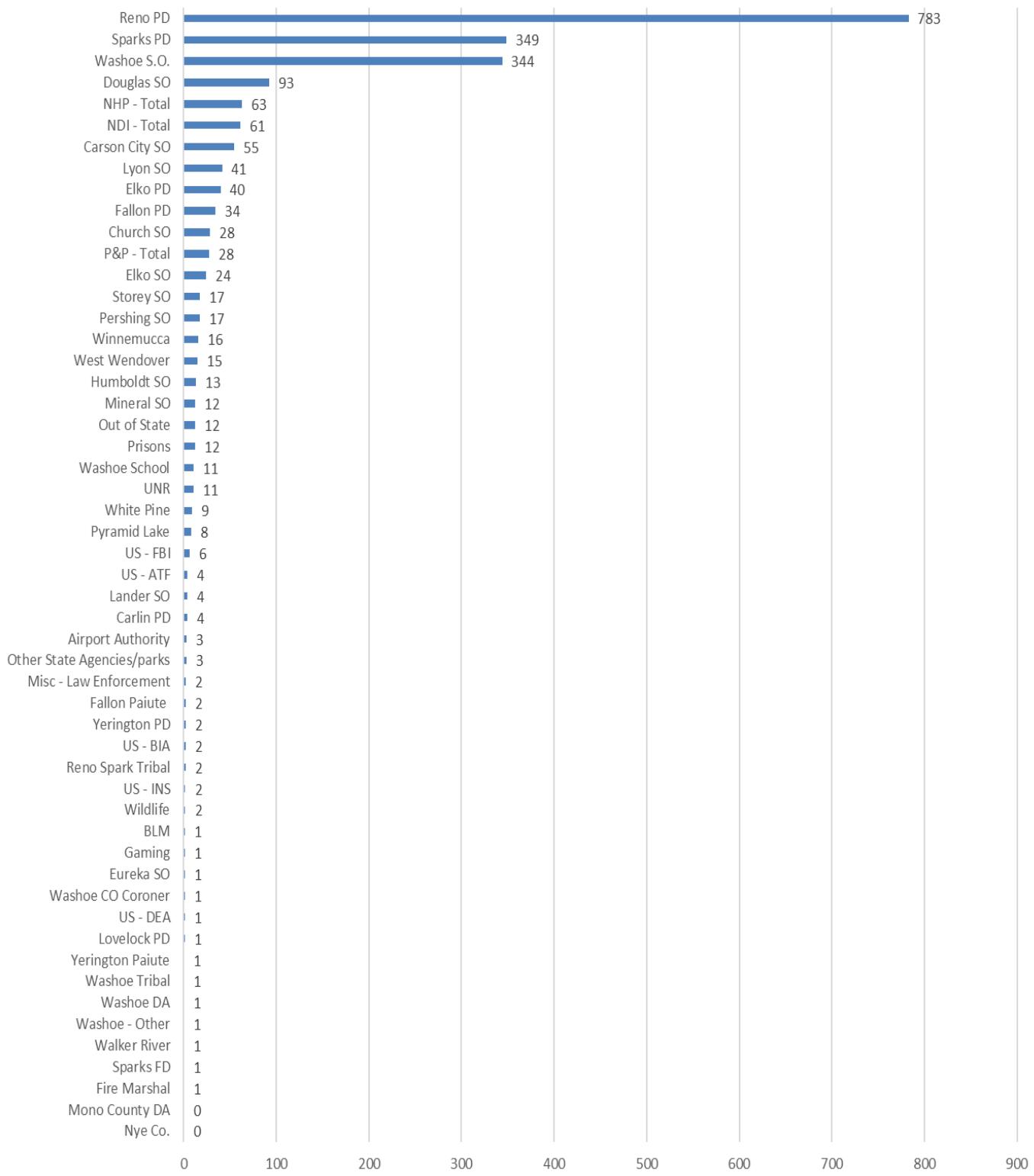
Agencies choosing an **Option B** contract in FY20 received a 35% discount for excluding FIS services, thus reducing their cost per submission to \$1,599, as shown in the chart on the left.

In FY21, the plan is to reduce the **Option B** discount to 20%. This will increase the

Option B cost per submission to \$1,968.

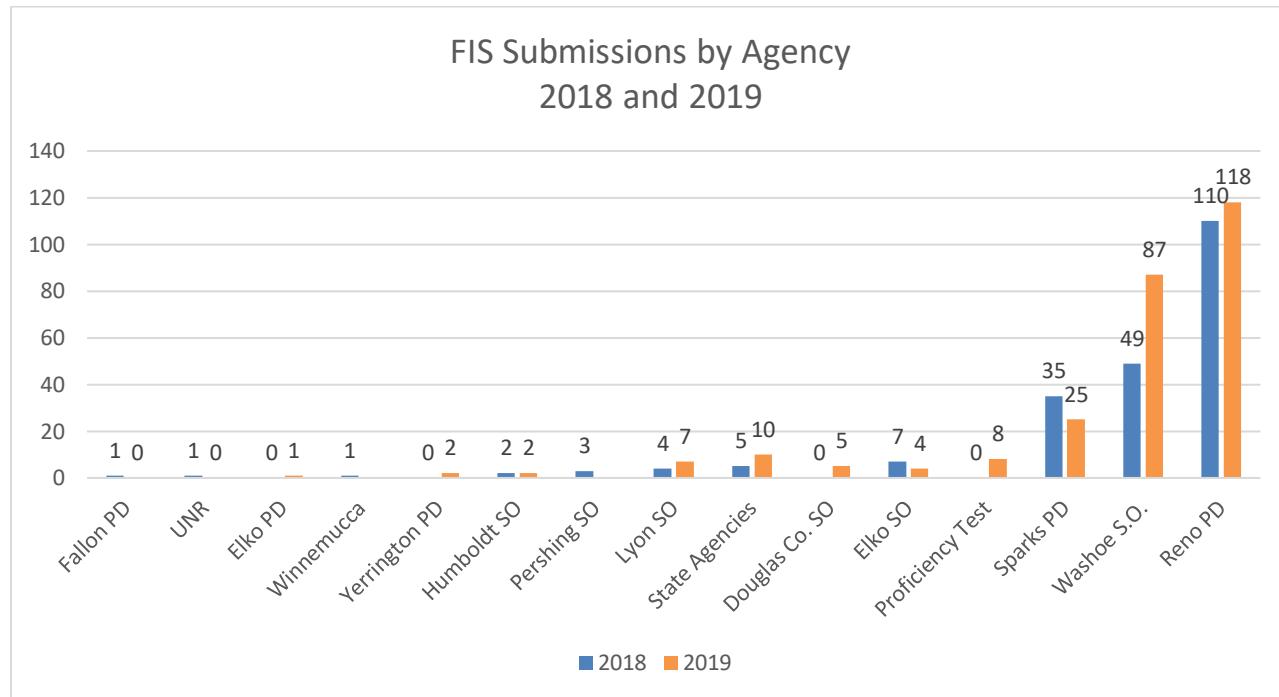
Average annual submissions per agency for the three-year period between 2017 through 2019 are shown in the chart on the next page.

Average Submissions Per Year 2017-2019



E. FIS Submissions

The submissions above include FIS services. FIS services alone show how **Option A** agencies (primarily) used FIS services in 2018 and 2019. These two years are shown because the County changed databases in 2018 and previous submission data is not aligned with these years. In 2018, there were **218 submissions for FIS services**. This is 10% of average submissions (2016-2018). There were **269 FIS submissions in 2019**, or 11% of 2019 total submissions. The table below shows submissions for these two years, by agency. Reno had a majority of FIS submissions in both years.



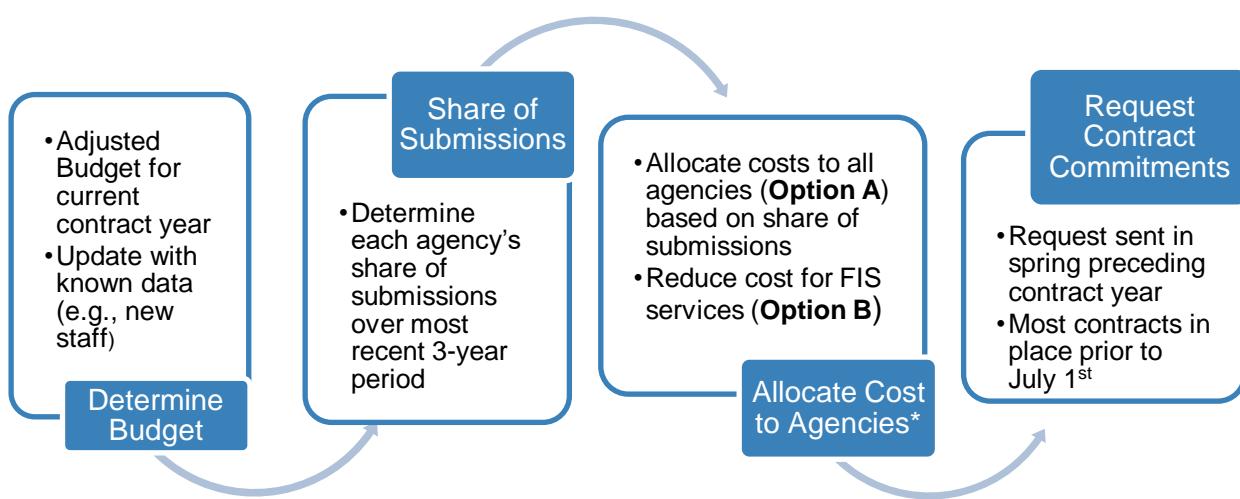
F. Fee-Setting Process

The fee-setting process utilizes the data provided above for a given fiscal year. The process for the current fiscal year is described in the below step-by-step list and illustration:

1. Determine adjusted budget for the current fiscal year. This will be the fiscal year preceding the Crime Lab fee contract.
2. Compile submissions from the most recent three calendar years and calculate each agency's share of submissions over this time period.
3. Multiply an agency's share of submission by the adjusted budget costs from #1—This is the **Option A** fee amount.
4. Multiply the **Option A** cost by 65% to arrive at the **Option B** fee amount per agency—the Crime Lab proposes to change this to 80% for FY21 contracts

5. Request for contracts from benefitting agencies—they can choose either **Option A or B** (Note: minimum contract amounts are set at \$3,000 for Option A and \$1,500 for Option B).
6. Ask agency if they: a) want to contract for services, and b) if so, if they want an **Option A or B** contract (Note: no FIS services will be provided under **Option B** contracts as of July 1, 2020)

The illustration below provides the [current fee-setting process](#) as well.



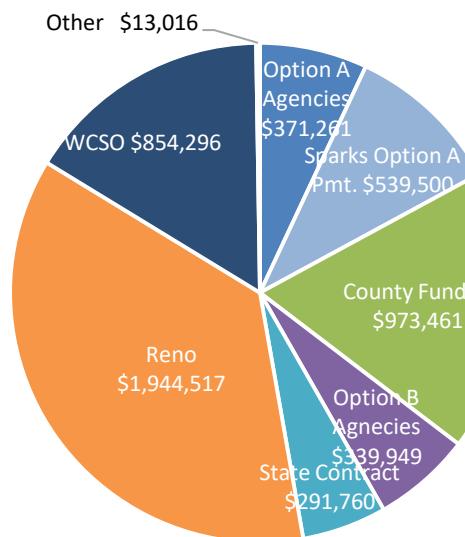
G. Current Fee-Setting Process Observations

The current Crime Lab fee-setting process results in contract fees that do not fund the total annual cost of service. This is illustrated in the following pie chart showing fee allocation for FY21 based on current data and fee-allocation methodology. The process leaves nearly \$1 million in County subsidy—in addition to the mismatch in services traded with the City of Reno. The right-hand pie chart on the following page shows what the County is subsidizing. Eliminating these subsidies is a major goal of the recommendations in this report.

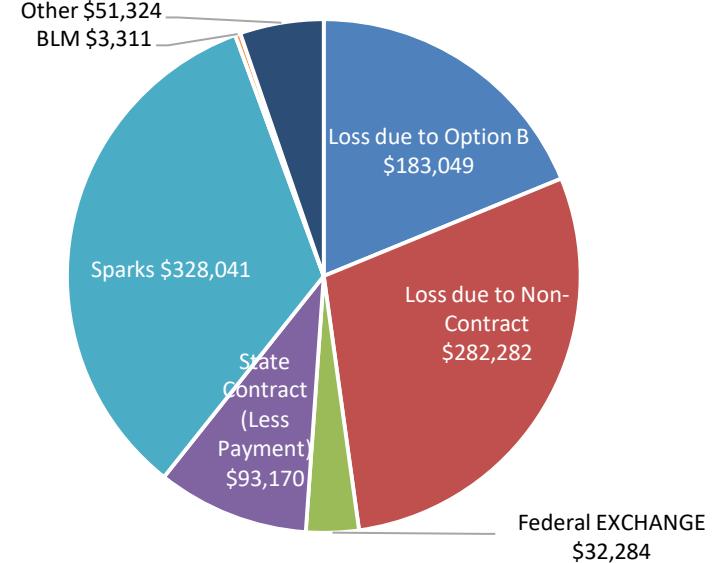
FY20 Adjusted Budget allocations for Crime Lab fees

(Note: Based on FY20 Contract Policies)

**Crime Lab Cost Allocation
of FY20 Adjusted Budget
with FY20 Contract Provisions**



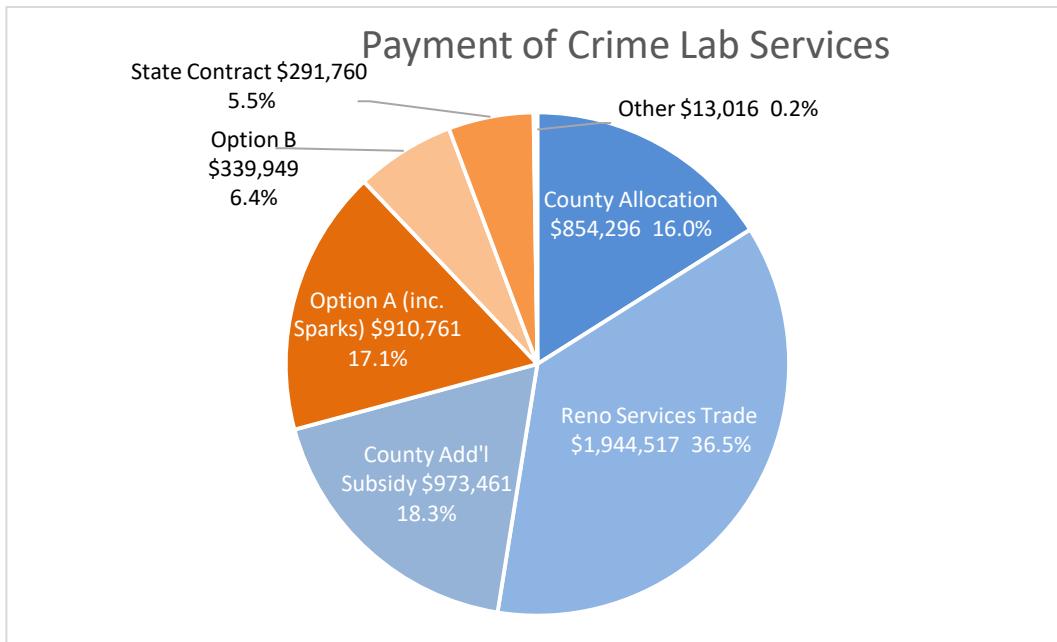
**Washoe County Funding
For Non-County Expenses (\$973,461)**



Notes:

- Left-hand charts show costs allocated to all agencies, regardless of contract status—Sparks cost allocations not paid by Sparks are included in the “County subsidized” piece of the pie. The amounts not allocated to an agency are also included in the “County subsidized” piece of the pie. For FY21, County is planning policy changes (e.g., no discount for City of Sparks)
- The pie chart on the right shows the attribution of the additional County subsidy of Crime Lab costs.
- The Reno contract is a trade for dispatch services that the County Sheriff’s office believes is not equal at this time—30 years after the trade for services agreement was executed.

Crime Lab fee allocations are the source of payment for Crime Lab services. The chart below shows the source of funding by broad category. The County's funding is shown in the blue pie areas—the Reno services trade is shown as County funding.



In total, the County receives 16.0% of Crime Lab services value, but pays for 70.8% of Crime Lab costs. Even if the trade of dispatch services with Reno was equal to the value of Crime Lab services, the County still pays 34.3% of Crime Lab costs. Under either scenario, the County is subsidizing services for other agencies.

The County has already started the process of changing many of the Crime Lab Fee practices, including: 1) eliminating DNA services from per submission/test services offered, 2) reducing FIS personnel costs by shifting to non-sworn personnel, and 3) adding previously unallocated OPEB costs to the direct cost allocation. In addition to these changes, the primary additional issues to address in the current fee practices include:

- Full Cost Recovery from Contract Agencies
- Eliminating any subsidy in the Reno trade for dispatch services
- Recovering overhead costs
- Adding capital replacement costs to Crime Lab fees

The remainder of this report evaluates the impacts of the current fee-setting process and proposes areas of opportunity to adjust current fee-setting practices.

V. OPPORTUNITIES FOR CHANGE

Based on the issues above, there are several related opportunities that the County can pursue to close the gap between fee allocations and fee collections, as delineated in the following matrix. Each of these areas is explored more fully in this section of the report.

Identified Fee Program Change Opportunities

Practice	Issue	Impact
Trade of services with Reno (crime lab for dispatch)	Trade with Reno for dispatch services is a cost mis-match—County pays more than value of dispatch	<ul style="list-style-type: none"> ▪ County picks up the cost differential ▪ Added services (e.g., DNA) since signing of 1990 contract inception have not resulted in any contract changes
Reduction in costs for Sparks	City of Sparks has negotiated fee reductions—will end in FY21	<ul style="list-style-type: none"> ▪ County picks up the negotiated reduction of the Spark's allocated cost ▪ When subsidy is ended, Sparks will choose Option A or B contracts and pay full costs, or opt out of services
FIS Costs spread to all agencies	Is not an equitable allocation of costs to beneficiaries	<ul style="list-style-type: none"> ▪ Under-allocation of costs to Option A agencies ▪ County picks up costs for agencies choosing Option B contracts
Non-Contract agencies included fee calculation	Agencies can opt-out after fee amounts are set	<ul style="list-style-type: none"> ▪ County pays cost for non-contract agencies ▪ No per submission/test fees ▪ Starting in FY21, <i>per</i> submission/test services or Option C contracts will not be offered
County allocates direct cost of operations in Crime Lab contracts	<ul style="list-style-type: none"> ▪ Does not allocate SO or County overhead ▪ Does not include capital replacement 	<ul style="list-style-type: none"> ▪ County absorbs full cost of overhead ▪ Relying on grants for all future capital replacement could leave County without a reliable source to replace aging equipment
FIS costs spread based on total submissions, not FIS submissions	Across-the-board reductions for Option B agencies unrelated to service	<ul style="list-style-type: none"> ▪ Under-charging Option B agencies ▪ Not properly allocating costs to Option A agencies that use FIS services
“Submissions” service metric does not capture time/effort spent on each agency’s workload	<ul style="list-style-type: none"> ▪ Cost varies by service: DNA costs high, FIS services can be time intensive 	<ul style="list-style-type: none"> ▪ Not properly charging for services (either under- or over-charging) ▪ Increase to County and other-agency subsidy of services

A. Goals of Lab Fee Adjustments

The following goals were used in crafting the set of opportunities to address Crime Lab fee inequities and issues. Each of the recommended actions is based on one or more of these goals.

1. Fairly allocate full cost of services to agencies served by the Crime Lab
2. Eliminate County subsidy of **voluntary** services to outside agencies
3. Maintain state-of-the-art facility and services to produce the highest quality of evidence for use in identification and prosecution of crime

B. Consequences of Changing Fee Calculations

Adjusting fees can be a painful task and can create winners and losers in terms of how much services cost in the future. If these changes result in too much shock to the budget of a partner agency, the County may need to phase in contract changes.

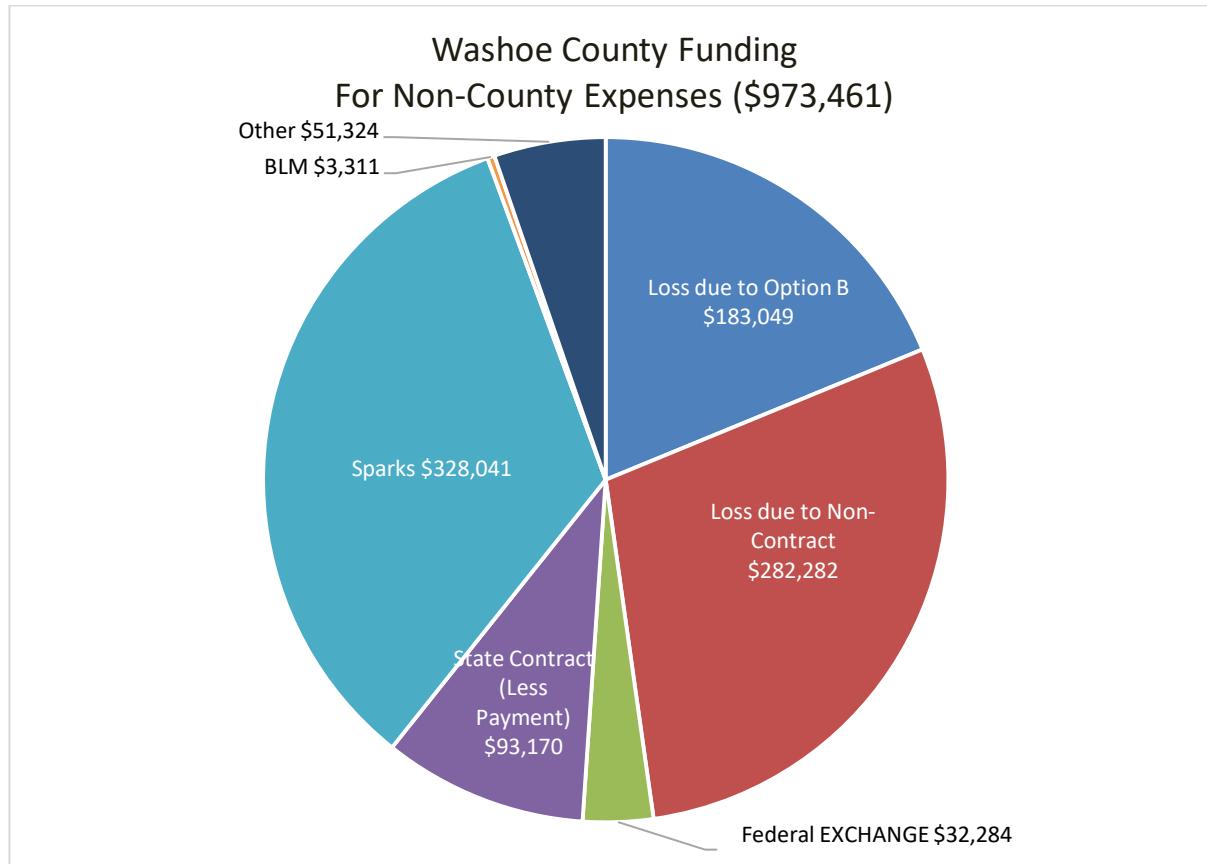
Consequences of changing fee calculations for the County Crime Lab may include:

- **Agencies may not be able to afford increases in contract amounts.** Most costs are paid from four sources: County (70.8%), **Option A** agencies (17.1%), **Option B** agencies (5.5%), State contract (6.4%), and Other (0.2%). Shifting costs to benefitting agencies—especially Reno and Sparks—may be met with stiff resistance as their own budgets may not be able to absorb fee changes of hundreds of thousands of dollars in the short term but should have this capacity over time. Even agencies with lower contract amounts may not be able to absorb these costs.
- If Reno doesn't pay for services and Sparks continues to under-pay its allocated costs, **changes to fee allocation methods will primarily impact the County and contract agencies.** Many of the smaller contract agencies may have difficulty absorbing increased costs.
- Sparks (negotiated cost), Reno, and the State contract will likely have no impact from fee changes without **changes to corresponding contracts**—formal and informal—with these agencies. The County may need to change the range of services offered to these agencies in order to balance the service/cost ratio in a rational fashion.

VI. Cost Allocation Recommendations

The recommendations in this section are focused primarily on a goal to shift payment of services to service beneficiaries and reduce any County subsidy.

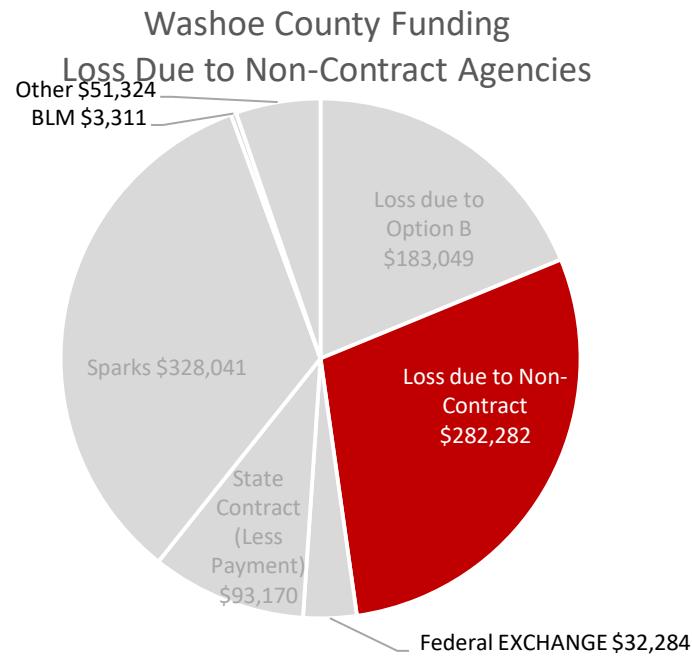
The following recommendations address the major areas of County subsidy shown in the pie chart below. Each of the recommendations is designed to shift subsidy of Crime Lab costs from the County back to direct users of the service.



A. Reduce Loss Due to Non-Contract Agencies

The County allocates costs to all agencies who have had submissions over the last three years. The County pays the cost for agencies that do not contract for services. To counteract this, the County should not allocate costs to agencies that do not—or are unlikely to—contract with the County for Crime Lab services. Allocating costs to only agencies that plan on contracting for service will increase the total cost of service to all contracting agencies, which reduces the County subsidy of services.

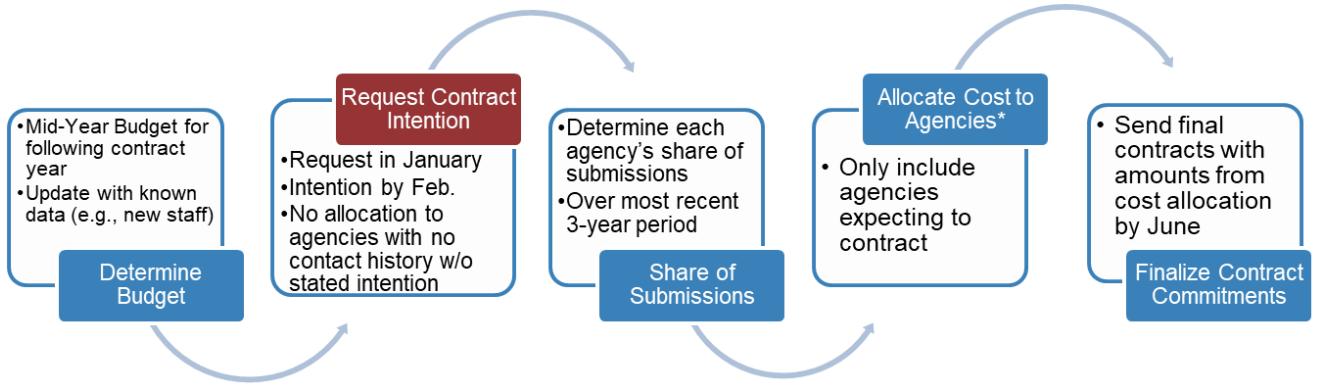
Based on the current allocation methodology, the County will allocate \$282,282 to agencies that have **Option C** contracts, and \$51,324 to agencies without a contract with the County without changes in FY21. Ways to address this include:



- **Request preliminary indications for contracts by February of each year.** Allows for setting fees based on who is planning to contract for services.
- **Extend contracts to three years, with an annual escalator.** Have one-third of the contracts renew each year to reduce annual administrative costs. Will require a budget forecast and potential annual escalator.
- **Apply per submission/test revenues to reducing County subsidy and/or capital replacement.** Charge market rates for services where these rates are readily available. Per submission/test services should be offered only if the County has capacity to provide these services without reducing service to contracting agencies.

The revised fee-setting process to exclude non-contract agencies is illustrated below.

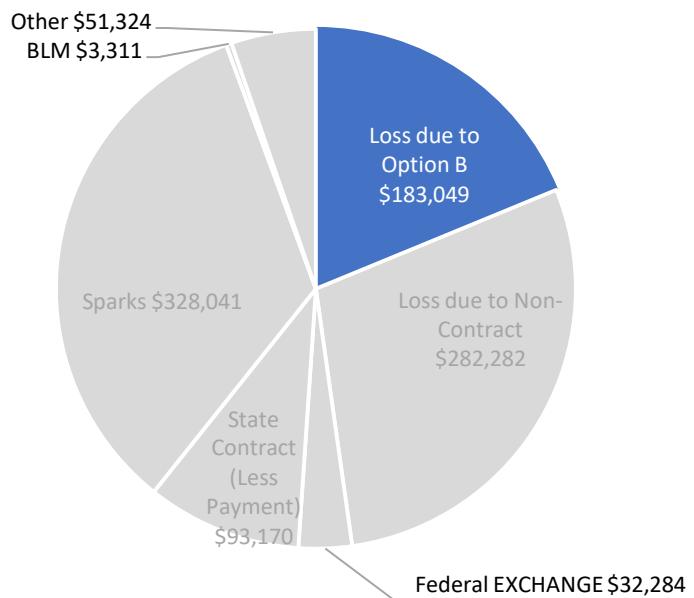
Revised Fee-Setting Process



B. Reduce Loss Due to Option B contracts

The **Option B** contracts have a built-in loss to cost recovery simply by the overall reduction in by first allocating, then reducing FIS costs to these agencies. These contracts have a secondary loss by over-discounting the amount of FIS services. The use of 35% for the fee reduction is out of sync with current operating costs—currently estimated to be 16.1% of the total budget. To address this, the County should **change the Option B reduction for FIS services to**

**Washoe County Funding
Option B Allocations**



16.1%⁵. This will increase **Option B** agencies cost by around \$155,000 overall. The limited shift in revenue is due to the small number of **Option B** revenues relative to total cost. This recommendation does not change the overall allocation of FIS services to service to **Option A** contracts. The County plans to use 20% as the cost of FIS services for FY21 contracts.

C. Shift FIS Cost-Share to Service Users Only

A different way to address the FIS cost allocation issue is to allocate FIS costs only to agencies utilizing FIS services. This would result in separate cost allocation of FIS and non-FIS services based on submission data for each service—however, only two years of FIS submission data (2018 and 2019) is available from the current Beast database system. The benefits of this approach include:

- Eliminates County payment of FIS costs allocated to **Option B** agencies
- Differentiates contract type based on utilization of specific services
- Can be used to split services provided under contract with Reno to true-up the service trade for dispatch services, if that contract remains in effect

Cost of FIS in FY20 = \$860,202 (16.1% of total Crime Lab personnel costs)

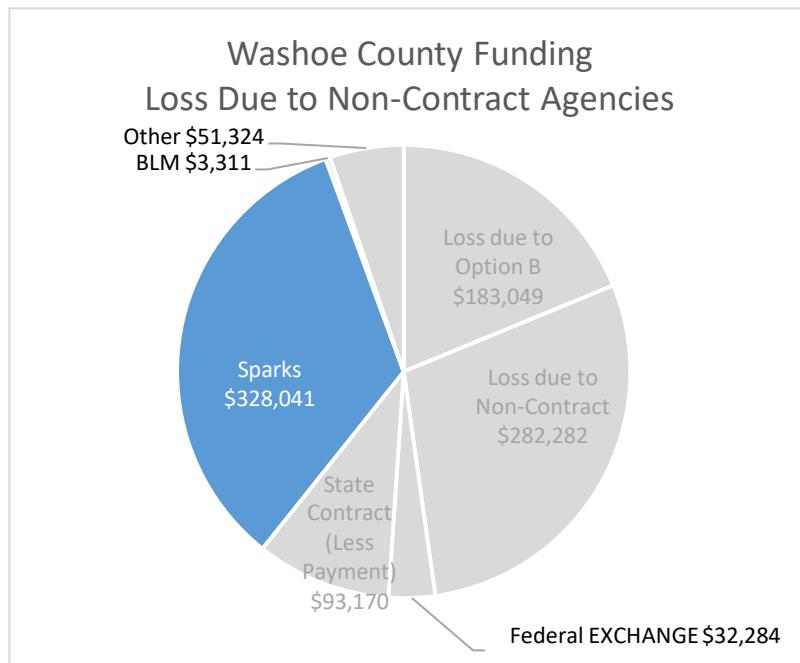
- Allocation only to agencies utilizing FIS services would increase fee collections and lower County subsidies

D. Eliminate Loss from Sparks and Reno Subsidies

The County subsidizes the cities of Sparks and Reno, but for different reasons:

- The Sparks subsidy is the result of is an historical negotiation to lower the **Option A** allocation, but still provide **Option A** services. The City contended that property taxes collected by the County should be used for a portion of this service. The County has reduced the City's contract payment. Services provided by the Crime

Lab are voluntary, and not a part of the legislated services provided by the County that are funded through property tax collections.



⁵ MRG estimate based on FY20 personnel costs and equivalent supplies and services cost.

- The Reno subsidy is a mismatch in value from a trade of services agreement from 1990. A 2015 internal audit report showed the County providing Crime Lab services valued at an average \$1.4 million per year at that time—current allocation cost is \$1.9 million—while the value of the City’s dispatch services is significantly lower.

Sparks Options

The City of Sparks negotiated a discount to keep its Crime Lab funding at lower-than-allocated levels for the City’s FY20 contract. The County has informed the City that for the FY21 contract, there will be no fee discount, and they are free to choose an **Option A** or **B** contract or contract with an outside agency for services.

Reno options:

The subsidy of City of Reno services is based on the difference in value between the Crime Lab services and City dispatch services. Since signing the agreement in 1990, Crime Lab services have expanded—especially with the addition of DNA services that were not available in 1990. The County has added more of its own dispatch services, creating a situation where the City does not provide the range of services delineated in the 1990 contract. Options to address this subsidy include;

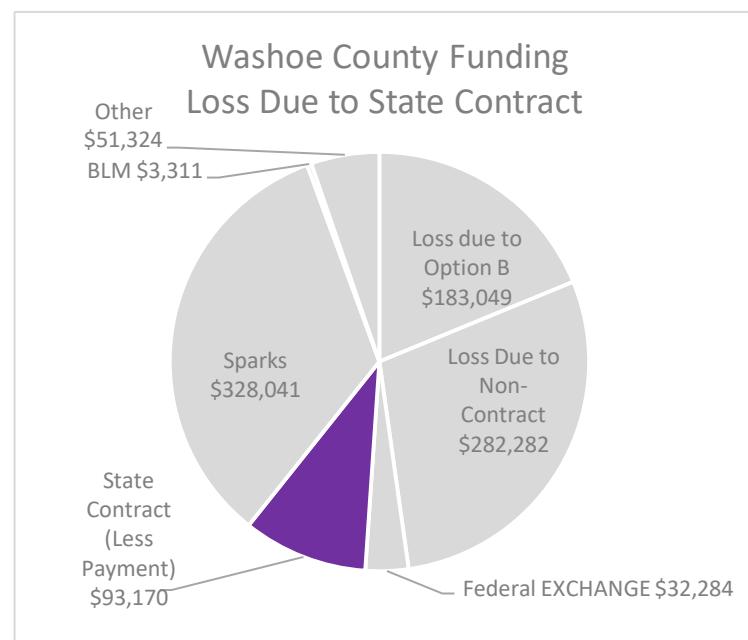
- **Renegotiate the contract to redistribute services.** For example, Reno could be directly charged for FIS services, limiting the trade for service to lab services only or be charged directly for DNA services that did not exist in 1990 when the contract was entered into.
- **Terminate the 1990 agreement for shared services.** This would result in the County either paying for City dispatch services or expanding County dispatch services. The City could also discontinue use of County Crime Lab services, which could put more funding pressure on the County. With the current County subsidy, this may not be a significant loss of revenue.
 - County-provided dispatch services (cost currently being quantified by County staff)
 - Reno pay for Crime Lab services (additional revenue of \$1.9 million if Reno continues using the County for all Crime Lab services).

E. Reduce Loss from State Contract

The County has a blanket contract with the State that covers full services for several State agencies. The current contract has a not-to-exceed limit of \$291,760 through 2021. This contract provides funding and revenue certainty to both the State and the County; however, the services provided—based on submissions by the State agencies—exceed the value of the contract. The allocated cost of services provided to the State (FY20 Adjusted Budget and 2017-2019 submissions) is \$384,930. This is \$93,170 higher than the \$291,760 that the State pays—31% of the total contract.

Options to address this disparity include:

- Build in an annual escalation in the contract and allow for a not-to-exceed increase in the contract payment if submissions increase (e.g., 10% over assumed number of submissions).
- Include “look-back” provision to capture total cost in future State budget allocations or a refund of contract revenues if service is less than paid in the contract.



F. Overall Allocation Recommendations

In addition to the specific recommendations to reduce the County’s subsidy of Crime Lab services for other agencies, the additional broad strokes recommendations below provide additional strategies that can be employed to the entire fee-setting process.

- Continue collecting data to help identify high-cost services used disproportionately by a few larger service users (e.g., FIS and DNA analysis) in order to adjust fees in the future to more closely align cost of service with fees charged.
 - The goal of this is to keep the basic service contract (**Option B**) as low as possible and charge high-service users appropriately to limit subsidy from the County or others.
- Exclude agencies with no historical contract from cost allocations. If an agency contracts for Crime Lab services after the fact, these revenues can be used to fund future capital needs or offset other County Crime Lab subsidies.
- Apply per submission/test revenues, if they continue, to: County subsidy reduction and capital replacement fund. These revenues could also go to reducing or keeping future contract fees lower.
- Charge market rates for per submission/test services where these rates are readily identifiable.
 - This looks at Crime Lab services on both a public service basis for contracted services and a business for per submission/test services.

VII. CONCLUSION AND RECOMMENDATIONS SUMMARY

The goal of this report was to review the current Crime Lab fee program and identify options to improve cost recovery, reduce County Crime Lab subsidies of agencies receiving voluntary services from the County, and identify potential issues that may arise with the fee program (e.g., capital replacement). County staff in both Finance and the Sheriff's Office were actively engaged in sharing information, opinions and thoughts about the programs and activities currently in place.

Based on the analysis presented above, the County currently operates with a significant subsidy of Crime Lab services. This is the result of several factors:

- Allocation of program costs to agencies that do not contract for services
- Allocation of FIS costs to agencies that do not contract for FIS services
- Uneven trade with Reno for dispatch services
- Reduction of \$328,041 of allocated costs to the City of Sparks
- Disconnect in State contract fee and value of services provided

The recommendations included in this study are summarized below:

1. **Eliminate subsidy of Reno services**
 - a) *Renegotiate Crime Lab for dispatch services contract to equalize service value (e.g., charge directly for FIS and/or DNA services)*
 - b) *End current contract, expand County dispatch services, and charge Reno directly for Crime Lab services*
2. **Eliminate subsidy of Sparks services**
 - a) *Convert to Option B contract and charge for FIS services on a per hour basis*
3. **Reduce County subsidy of non-contract agencies**
 - a) *Request preliminary commitments from all agencies in February*
 - b) *Extend contracts to three-years with an annual escalator*
 - c) *If per submission/test services are offered, put revenue towards capital costs*
4. **Reduce subsidy of Option B agencies**
 - a) *Limit shift in fees for Option B agencies by no more than the cost of FIS services*
5. **Capture full cost of services**
 - a) *Add in departmental and Countywide overhead*
 - b) *Capital replacement costs*
6. **Shift costs of FIS services to FIS-service-users only**
 - a) *Allocate costs based on submissions for each service area (FIS and non-FIS)*
7. **Reduce subsidy of State contract**
 - a) *Include annual escalation tied to expected growth of Crime Lab budget*
 - b) *Include look-back provision to capture total cost of services to State in future contract years*
8. **Overall Recommendations**
 - a) *Expand data collection to identify high-cost services and users*
 - b) *Exclude agencies with no historical contracts from fee cost allocations*
 - c) *Apply per submission/test service revenues to capital replacement or reducing County subsidy of other agencies*

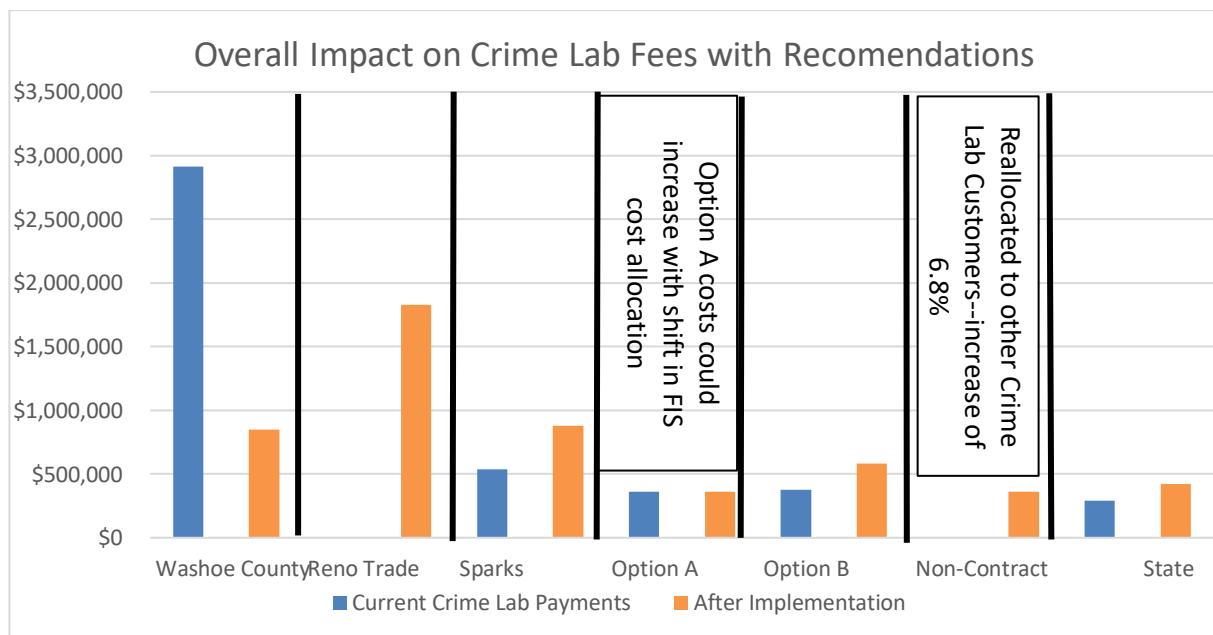
A. Impact on Program Funding if Recommendations are Implemented

If the above recommendations are implemented, there will be a shift in who pays for Crime Lab services. As indicated from the discussion above, and shown in graph below, the biggest shift will be between the County, the City of Reno, and the City of Sparks. There will also be

changes to **Option B** contract agencies, and potentially **Option A** agencies—if FIS costs are allocated separately based on submissions.

The chart below shows the before and after funding impact if most recommendations are implemented. The most difficult change to assess is the overall impact of truing up, or ending, the contract with Reno to reflect the relative value of services between the two agencies. Even if the City cuts back on services from the County—opting to either provide with additional staff or private-sector crime labs—the total cost would still be lower than the County currently pays.

The other recommendations result in higher costs to contract agencies. Because of that, most of the recommendations may receive push-back from contracting agencies than cannot afford the increases or feel that services can be purchased more effectively elsewhere. The County's options to address this potential are limited—continue subsidizing services at current levels or reduce service levels to match costs. Ultimately, the funding of Crime Lab Services is a Commission-policy decision that should be informed, but not determined, by the financial implications explored in this report.





VIII. Appendix A – Examination Request Form

Washoe County Sheriff's Office

Examination Request Form

(Use one form per item)

CO_NRD_L#

AB USE ONLY

ab# _____

_____ - - -

1-W

305424

_____ -

gency _____ Case# _____ Offense _____ Phone _____

! qst : _____

Email:

ddress (if outside Washoe Co.) _____

victim _____ DOB _____ SS# _____

victim _____ DOB _____ SS# _____

Suspect _____ DOB _____ SS# _____

Suspect _____ DOB _____ SS# _____
SID / FBI# _____

Agency Item# _____ (FIS: Scene _____ Autopsy _____)

Evidence Description (i.e. swab from counter top, not DNA swab) _____

A chain of custody is required for each item

For more information regarding the completion of this form, please refer to the Washoe County Sheriff's Office Forensic Science Guidebook at www.washoeshireffcom/forensic-science

EXAM REQUESTED

CRIMINALISTICS

Process items for latent prints
SUPERGLUE? Yes No

Seized Drugs
 Firearm Comparison

Ignitable Liquids
General Unknown

Shoeprint Impressions

Toolmark Comparison
SIN Restoration

Physical Match

WIN/AFIS
Print comparison
 Compare original latents to additional subject(s)

Evaluate and file
IBIS: Date of Offense (Required) _____

Other: _____

DNA EXAM

Can evidence be associated with any nonsuspect individuals? Yes No

If yes, elimination reference samples MUST be submitted. Analysis will be delayed pending sample receipt.

Have appropriate reference samples been submitted for comparison purposes? Yes No

If no, comparison reference samples MUST be submitted. Analysis will be delayed pending sample receipt.

DNA consent form submitted with reference samples requiring entry into the DNA database? Yes No

Case Synopsis Required

Brief case synopsis attached to laboratory request? Yes No

Notes and Special Instructions _____

Court Date: _____

For Toxicology Examination please use the form located in the Toxicology Kits.

IX. Appendix B—FY20 Adjusted Budget

C150650 Crime Labs			
Cost Elements	2019 Actual	2020 Adopted	2020 Adj Budget
460162 Services to Agencies	1,586,507.00-	1,356,336.00-	1,356,336.00-
* Charges for Services	1,586,507.00-	1,356,336.00-	1,356,336.00-
485100 Reimbursements	375.00-	1,000.00-	1,000.00-
485127 PS Reimbursements	3,573.12-	60,000.00-	60,000.00-
* Miscellaneous	3,948.12-	61,000.00-	61,000.00-
** Revenue	1,590,455.12-	1,417,336.00-	1,417,336.00-
701110 Base Salaries	2,202,510.37	2,731,032.46	2,731,032.46
701130 Pooled Positions	59,997.37	50,000.00	50,000.00
701140 Holiday Work	415.71	3,460.00	3,460.00
701150 Contractual Wages			
701200 Incentive Longevity	51,016.49	20,000.00	20,000.00
701300 Overtime	60,999.06	77,398.00	77,398.00
701401 Hazardous Pay			
701403 Shift Differential	1,588.28	2,076.00	2,076.00
701404 Uniform Allowance	500.00		
701406 Standby Pay	60,092.86	115,363.00	115,363.00
701408 Call Back	55,506.87	80,753.00	80,753.00
701410 Detective Pay	2,045.46		
701412 Salary Adjustment		16,583.00	24,146.73
701414 Vacation Denied-Payoff			
701416 Field Train Officer	330.90	1,800.00	1,800.00
701421 Safety Equipment	500.00		
* Salaries and Wages	2,495,503.37	3,098,465.46	3,106,029.19
705110 Group Insurance	238,554.91	283,595.93	283,595.93
705115 ER HSA Contribs	37,327.04	42,000.00	42,000.00
705190 OPEB Contribution	339,428.91	282,189.00	282,189.00
705210 Retirement	654,739.59	802,677.39	802,677.39
705215 Retirement Calculation			
705230 Medicare April 1986	34,262.31	38,265.99	38,265.99
705240 Insur Budgeted Incr		7,089.90	7,089.90
705320 Workmen's Comp	122,569.55	170,332.06	170,332.06
705330 Unemploy Comp	1,940.28	2,098.38	2,098.38
705360 Benefit Adjustment		5,137.00	5,137.00

C150650 Crime Labs

Cost Elements	2019 Actual	2020 Adopted	2020 Adj Bud
* Employee Benefits	1,428,822.59	1,633,385.65	1,633,385.65
710100 Professional Services	48,783.97	15,000.00	15,000.00
710104 Toxicology Expense	1,000.00		
710105 Medical Services			
710200 Service Contract	145,459.26	139,703.00	139,703.00
710205 Repairs Maint	3,043.81	2,100.00	2,100.00
710210 Software Maintenance			
710300 Operating Supplies	134,546.03	119,468.00	119,468.00
710312 Special Dept Expense			
710319 Chemical Supplies	115,942.99	200,748.00	200,748.00
710334 Copy Machine Expense	27.06		
710355 Books/Subscriptions	777.00	1,300.00	1,300.00
710361 Express and Courier	685.76	700.00	700.00
710391 Fuel & Lube	104.37		
710500 Other Expense			
710506 Dept Ins Deductible	387.07		
710507 Network and Data Lines			
710508 Telephone Land Lines	28.28		
710509 Seminars and Meetings	4,923.75	5,000.00	5,000.00
710519 Cellular Phone	1,609.62	1,603.00	1,603.00
710529 Dues	484.00	6,000.00	6,000.00
710571 Safety Expense		500.00	500.00
710868 Medical Exam	1,210.90	3,000.00	3,000.00
711100 ESD Asset Management			
711113 Equip Srv Replace			
711114 Equip Srv O & M	1,154.75-		
711117 ESD Fuel Charge			
711210 Travel	5,837.15	12,925.00	12,925.00
711399 ProCard in Process			
711502 Build Imp nonCapital			
711504 Equipment nonCapital	19,704.37	1,000.00	80,299.00
* Services and Supplies	483,400.64	509,047.00	588,346.00
781004 Equipment Capital			
* Capital Outlay			
** Expenses	4,407,726.60	5,240,898.11	5,327,760.84

X. Appendix C—Three-Year Submission Data

Agency	Submissions 3 year total	Percentage 3 years	Submissions 2019	Submissions 2018	Submissions 2017
Airport Authority	10	0.16%	4	5	1
Carlin PD	11	0.17%	5	2	4
Carson City SO	164	2.55%	47	50	67
Church SO	84	1.30%	24	38	22
DMV VEH ENF	0	0.00%			0
Douglas SO	278	4.32%	55	145	78
Elko PD	119	1.85%	34	51	34
Elko SO	73	1.13%	26	33	14
Ely Shoshone Tribal	0	0.00%	0	0	0
Emp Security	0	0.00%	0	0	0
Eureka SO	4	0.06%	1	3	0
Fallon Paiute	7	0.11%	2	2	3
Fallon PD	102	1.58%	46	43	13
Fire Marshal	2	0.03%	2		0
Gaming	4	0.06%	0	3	1
Humboldt SO	40	0.62%	11	22	7
Lander SO	11	0.17%	3	6	2
Lovelock PD	3	0.05%	1	0	2
Lyon SO	124	1.93%	38	54	32
Mineral SO	37	0.57%	15	9	13
Misc - Fire	0	0.00%	0	0	0
Misc - Juv. Prob	0	0.00%	0	0	0
Misc - Law Enforcement	7	0.11%	0	0	7
Misc -DA's	0	0.00%	0	0	0
NDI - Total	184	2.86%	44	76	64
NHP - Total	189	2.94%	62	64	63
Nv Attorney General	0	0.00%	0	0	0
Nye Co.	1	0.02%	1	0	0
Other State Agencies/parks	9	0.14%	4	4	1
Out of State	36	0.56%	0	1	35
Owyhee Tribal	0	0.00%	0	0	0
P&P - Total	83	1.29%	35	28	20
Pershing SO	52	0.81%	28	23	1
Prisons	36	0.56%	17	13	6
Pyramid Lake	23	0.36%	10	10	3
Reno FD	0	0.00%	0	0	0

	Submissions	Percentage	Submissions	Submissions	Submissions
Agency	3 year total	3 years	2019	2018	2017
Reno PD	2,349	36.49%	938	829	582
Reno Spark Tribal	6	0.09%	3	2	1
Sparks FD	2	0.03%	0	0	2
Sparks PD	1,046	16.25%	381	421	244
Storey SO	52	0.81%	25	20	7
TMCC - PD	0	0.00%	0	0	0
Tribal PD - Misc.	0	0.00%	0	0	0
Truckee MFPD	0	0.00%	0	0	0
UNR	32	0.50%	12	13	7
US - ATF	12	0.19%	8	3	1
US - BIA	6	0.09%	1	0	5
US - DEA	3	0.05%	0	3	0
US - FBI	19	0.30%	6	8	5
US - INS	5	0.08%	2	3	0
US - Other	0	0.00%	0	0	0
Walker River	2	0.03%	1	1	0
Washoe - Other	2	0.03%	1	1	0
Washoe CO Coroner	3	0.05%	0	0	3
Washoe DA	2	0.03%	0	0	2
Washoe S.O.	1,032	16.03%	463	327	242
Washoe School	32	0.50%	4	7	21
Washoe Tribal	2	0.03%	2	0	0
West Wendover	45	0.70%	12	17	16
Western Shoshone Tribal	0	0.00%	0	0	0
White Pine	27	0.42%	7	5	15
Wildlife	5	0.08%	4	1	0
Winnemucca	48	0.75%	16	21	11
Yerington Paiute	2	0.03%	0	0	2
Yerington PD	6	0.09%	6	0	0
BLM	4	0.06%	1	1	2
Mono County DA	1	0.02%	1		
TOTAL	6,438	100.00%	2,409	2,368	1,661

XI. Appendix D—2018 and 2019 FIS Submissions

FIS Submission Agencies	Total Two-Years	% Share	2018	2019
Fallon PD	1	0.2%	1	0
UNR	1	0.2%	1	0
Elko PD	1	0.2%	0	1
Winnemucca	1	0.2%	1	0
Yerrington PD	2	0.4%	0	2
Humboldt SO	4	0.8%	2	2
Pershing SO	3	0.6%	3	
Lyon SO	11	2.3%	4	7
State Agencies	15	3.1%	5	10
Douglas Co. SO	5	1.0%	0	5
Elko SO	11	2.3%	7	4
Proficiency Test	8	1.6%	0	8
Sparks PD	60	12.3%	35	25
Washoe SO	136	27.9%	49	87
Reno PD	228	46.8%	110	118
Total	487	100.0%	218	269