

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Item: Public Safety Strategic Plan

OVERVIEW

Due to unprecedented levels of attrition and a smaller pool of qualified applicants, the San Diego Police Department has developed a plan to address sworn staffing shortages. The department's plan first addresses challenges surrounding recruitment of new officers and discusses three potential solutions. The department's report continues by identifying challenges in retaining San Diego police officers and discusses two efforts to correct this trend.

The IBA supports aggressive plans to reverse San Diego's mounting difficulties in retention and recruitment. In IBA Report 06-18, published April 28, 2006, the IBA called for the development of a plan to address these issues. At that time, there were approximately 145 sworn vacancies. Now, two and a half months later, there are nearly 190 sworn vacancies (as of July 11, 2006). For this reason, the IBA suggests that retention be the highest staffing priority for the San Diego Police Department. Recruitment of new officers should be addressed simultaneously, but it is critical to take all practical and legitimate efforts to retain officers. From a financial perspective, it is essential to retain the investment already made in trained officers where possible, rather than investing additional dollars in recruits to replace officers we could retain. From a marketing perspective, the job of being a police officer in San Diego should be the best it can be, before it is marketed as such to potential recruits.

FISCAL/POLICY DISCUSSION

RETENTION

As cited by the Police Department's report, the top reasons for loss of officers to other agencies are economic. Secondly, it mentions the lack of confidence in any improvements. Because it is clear that these are the factors on which officers are making their decisions to leave, increasing retention at the San Diego Police Department will require addressing these issues.

The department's retention plan proposes two solutions to officer retention: valuing employees and commencing a compensation and benefits study. The latter will be a joint study with the applicable unions. The goal of the study will be to compare the total picture of all compensation and benefits with a focus on "take home" pay, rather than consider the components, such as salary, retirement, healthcare, in isolation. The Mayor's office reports that the scope of work is being discussed with the goal of reaching an agreement and obtaining an estimate from the contractor, prior to the initiation of the study.

The IBA supports the study that is being planned. It is important to have valid data with which to make decisions. However, in San Diego's current circumstances, the IBA urges the initiation and completion of this study on a much more expedited timeline. We recommend consideration of additional options that will expedite the process, including creating a separate scope of work at a later date for the joint studies with Local 127 and MEA, which could allow the scope for the public safety joint study to be finalized, and funds appropriated, earlier. Additionally, we urge the consideration of expediting the police portion of the study ahead of the fire portion, if that will create a time savings in completing the study. The IBA recommends the pursuit of any opportunity to complete this study at the earliest date possible, targeting October 1.

The preliminary results of the study should be presented to the City Council at that time and direction should be given to immediately initiate negotiations with POA. Negotiations should then be concluded near the first of the year, with results to be implemented immediately. The IBA urges action on police compensation and benefits this fiscal year. It is neither necessary nor desirable to wait until FY 2008 to seek an agreement with POA on compensation and work conditions. Through this, San Diego will demonstrate its commitment to ensuring that police officers are compensated appropriately for the services they provide. Waiting will only result in increased costs for overtime for minimum staffing, as well as further lost investment in our existing officers as they exit the City.

We respectfully request consideration of additional benefits for inclusion in the scope of work of the study. We believe the City should have information on and consider its position on offering competitive benefits such as longevity pay and augmented career enhancement opportunities. While longevity pay does not appear to be common in our immediate area, it does appear quite common among other agencies, and particularly larger agencies comparable to San Diego. Longevity pay is an incentive for existing officers, as well as for new recruits, and places the focus on tenure with this organization.

As examples, Los Angeles and Phoenix both offer programs that reward officers for the value of their long term service by guaranteeing a prescribed salary increase depending on the number of years served. An alternative approach to longevity pay involves percentage increases in base pay after extended years of service, as used in San Antonio.

The merit of this approach is that percentage increases are more objective and will not have to be revised due to inflation. Neighboring cities such as Chula Vista and Escondido have implemented a similar longevity program in which officers receive a 5% pay increase after 10 years.

With regard to career enhancement, the IBA suggests consideration for augmenting the program if the study shows that San Diego is not competitive in this area. In addition to Intermediate and Advanced POST pay, the City may wish to consider offering additional pay for advanced degrees, accumulated credits, specialty training and other additional skills. Based on the compensation and benefits study results, these items may be considered for subsequent negotiations.

Additionally, the lack of an agreement on a compensatory time program in the previous negotiations appears to have affected morale among officers. The IBA supports efforts to resolve this issue with a compensatory time program that is consistent with other municipalities and does not impact minimum staffing levels.

There have been discussions for some time regarding the consolidation of healthcare plans offered to City employees in order to realize savings on medical costs. It is critical that the City expedite efforts to implement this reform and the IBA recommends urgent action on this issue. Strategizing to reduce the cost of employee healthcare is sound financial policy for the City and is a great service to employees. For many police officers, this will translate into a direct increase in take home pay. Officers that currently use payroll deductions to cover their chosen healthcare plan and/or healthcare for dependents will be able to enjoy the same quality of health care, while reducing the level of payroll deductions that are required. This is a way to alleviate the economic concerns of officers considering leaving San Diego, at no cost to the City.

In general, this office does not support bonuses as a remedy to retention problems. While officers are leaving for economic reasons, a one-time bonus does not give officers any long-term incentive to remain and is not an indication that future economic concerns will be alleviated. We encourage the focus to remain on identifying San Diego's competitive position and remedying any challenges at the earliest opportunity so that San Diego will be desirable for officers for the long-term.

In some municipalities, other efforts are made to enhance retention and preserve that municipalities' investment in the officers they have trained. These include requirements that employees pay the city back for training and other costs if they choose to leave before a set time. While the IBA is very concerned with the financial losses associated with losing trained and experienced officers, we do not support this option for the City of San Diego because it may serve as a disincentive to effective recruiting.

Finally, the IBA supports all efforts of the Mayor and the Police Department to increase employee recognition and outreach and to ensure that all employees feel valued. It is hoped that, through this and the extraordinary efforts to expedite the study and ensure competitive compensation, officers will recognize that the City seeks to create a secure and fair environment for employees.

RECRUITMENT

The Police Department report recommends three primary efforts to enhance sworn recruitment in the City of San Diego. The first is to hire a consultant to develop a sophisticated recruiting program. The IBA supports this effort in order to make San Diego more competitive among other municipalities for the small pool of highly qualified candidates available. The IBA further recommends that the consultant look at an expanded marketing program to include marketing to cities across the nation, not just in Southern California as is the current practice, or in the Southwest as mentioned in the report. Some cities, such as Houston, Detroit and Philadelphia, are shrinking their police forces and officers who have lost their jobs in cities such as these may be eager to come serve San Diego. Other large cities in our area do recruit nationwide, and this should be considered as well. This kind of aggressive recruitment program may require additional funding above and beyond that recommended by the Police Department in the report. If additional funding is required, the IBA recommends that the department return to the City Council with an expanded scope of work as appropriate. Additionally, the Police Department's report shows that most other municipalities allocate much more money to marketing and attracting highly qualified applicants. The IBA recommends that the department consider applying for additional marketing funds for the FY 2008 budget cycle.

Immediate efforts to improve recruitment marketing and messaging should be undertaken where possible. This should serve as an interim measure until the consultant is hired and begins producing. For instance, the department's website could incorporate some minor revisions that would improve the tone and message for potential candidates seeking information. As an example, an out-of-state candidate seeking information on San Diego's recruitment process would find this on the Police Department's website:

“Is there a faster process for out of state applicants?”

No. Applicants will be required to travel to San Diego for a minimum of three separate trips at their expense to go through the hiring process. That process could take 6 to 8 months to complete.”

However, an out-of-state candidate seeking information on Phoenix's recruitment process would find this:

“NOTICE TO OUT OF STATE APPLICANTS

The selection process involves as many as eight steps. The police department understands the burden this places on out of state applicants and will make an effort to consolidate as many steps in the process as reasonably possible. Out of state applicants may be able to complete the entire process within 3 trips to Phoenix, Arizona; at their own expense. For more information click on the link for [Out of State Applicants](#).”

A candidate for lateral transfer to San Diego will find the following on the website:

“All candidates will be screened. Depending on your overall qualifications, including your law enforcement experience and training, a [comprehensive background investigation](#) will be initiated which will include a series of interviews, a physical abilities test, psychological test and a medical examination. Candidates who are hired, must complete a specific training program and up to four (4) months of field training with a field training officer.”

And it goes on to say that the candidate may apply for a written test waiver. A lateral candidate also considering the LAPD would find:

“Lateral candidates must meet all of the requirements for a Police Officer and complete all test parts, except the qualifying multiple-choice written test. The lateral program includes an expedited testing process and an abbreviated training and orientation program. Abbreviated training for lateral officers is typically only offered twice each year. The training is conducted in a manner that recognizes the lateral candidate's standing as an experienced California Peace Officer and not a new recruit.”

The IBA suggests that San Diego could improve the atmosphere of recruitment in all media, as shown through the above, in order to also show candidates that they are valued and their potential contribution to San Diego is eagerly anticipated.

As a second solution, the department proposes providing the uniform and equipment allowance to recruits as they enter the academy, rather than reimbursing the employee after the first year of service. This modification should be simple for the City, but could make a big difference to the recruit's financial position. The IBA supports this proposal.

Third, the department discusses several efforts to maximize the current recruiting system. The first is to expedite the testing, background check and hiring process. This is critical to competing effectively with other municipalities and it is incumbent on the City of San Diego to be as efficient and effective as possible in hiring employees.

Another proposal to maximize recruiting is to facilitate the out-of-state lateral transfer process - another critical efficiency. The City of San Diego benefits from hiring officers who are already trained and have experience in law enforcement, whether in-state or out-of-state. The City should not provide disincentives to people considering employment with the San Diego Police Department. This reengineering process for laterals should take place prior to enhanced recruitment of laterals in the Southwest and throughout the nation, as discussed and recommended above. The City should fully maximize its lateral program prior to expending additional resources on a marketing program to attract laterals. The IBA also suggests consideration of further ideas to strengthen the lateral program. For instance, are qualified candidates able to “test out” or receive waivers while remaining in compliance with California POST requirements? Is abbreviated training offered, based on experience? And, once training and probation have been completed, the department may consider accepting prior experience for pay advancements and other career opportunities. The IBA recommends that the Police Department’s new Internal Task Force evaluate and report on the lateral program, and other recruiting efforts, at a future meeting of the Public Safety & Neighborhood Services Committee.

The report suggests enhanced efforts to attract people leaving military service. The IBA supports this effort as well, which is innovative and assertive in reaching out to potential candidates of a high quality.

As the recruitment plan is commenced and the above efforts are underway, the IBA urges consideration of further efforts to enhance recruitment. For instance, the City may wish to consider offering a finder’s fee for officers that successfully refer candidates. In Los Angeles, a finder’s fee of \$1,000 is offered, and it may be structured such that part is paid at the time of the job offer and the other part is paid when the candidate graduates from academy.

FINANCIAL IMPACT

At this time, the IBA recommends that any funding for enhanced retention and recruitment efforts be appropriated from the General Reserve. We have strongly supported the strengthening of the City’s financial position through augmenting the City’s reserves and do not recommend the use of these funds lightly. However, it is critical to address police staffing sooner rather than later.

It is anticipated that the Police Department will generate significant savings throughout Fiscal Year 2007 due to staffing shortages. However, a vacancy factor of nearly \$19 million is already assumed in the Police Department budget. Therefore, only if salary and other savings in excess of \$19 million are realized, could that savings be used to cover other expenditures. At this early time in the fiscal year, sufficient information is not available to accurately project vacancy savings for the department. As the year progresses, the CFO and Auditor should report on the status of the vacancy factor

citywide. If the Police Department does generate savings in excess of the budgeted vacancy factor, the General Reserves should be reimbursed for any funding provided for retention and recruitment.

Should the compensation and benefits study, and the following negotiations, call for increases in police officer personnel expenses, the City will have to identify funding to support this. The Business Process Reengineering (BPR) efforts have been estimated to create significant savings, but the IBA does not recommend waiting for the full results of BPR if it is not completed as negotiations are initiated. Other sources of funding will have to be identified. The IBA recommends that the CFO explore resources as necessary.

CONCLUSION

	IBA RECOMMENDATION
RETENTION	
	Further expedite compensation study with October 1 goal and return to Council
	Consider longevity, career enhancement in scope of study
	Initiate negotiations during 2007 and implement in early 2008
	Consolidate healthcare plans
	Resolve comp time program if possible with consideration of minimum staffing needs
RECRUITMENT	
	Expand scope of recruitment to include targeted nationwide recruitment
	Undertake immediate efforts to enhance recruitment marketing
	More aggressive lateral transfer program
	Consider a finder's fee program at appropriate time
	Report quarterly to PS&NS on efforts

With respect to retention of officers, the IBA supports the salary and compensation study initiated by the Mayor's office and recommends that the police portion of that study be further expedited, with negotiations to commence immediately thereafter. Furthermore, the recommendations above regarding the City's career enhancement plan and longevity pay should be considered for inclusion in those negotiations. The IBA supports the efforts of the Mayor and the Police Department to enhance outreach to employees and demonstrate their value to the City of San Diego.

The IBA additionally recommends that the City expedite efforts to consolidate health plans and that reports on these efforts are made back to the City Council or the appropriate committee regularly to ensure implementation by FY 2008. This will create savings for all City employees and will specifically increase the take home pay of many police officers without cost to the City of San Diego.

With respect to recruitment, the IBA supports the Police Department report's proposals and recommends a possible expanded scope of recruitment and lateral transfer program as discussed above, as well as consideration of further options such as a finder's fee. We further recommend that the new Internal Task Force report to the Public Safety & Neighborhood Services Committee quarterly on the status of these efforts.

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