



THE CITY OF SAN DIEGO

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Police Department Sworn Staffing: Hiring and Attrition Trends in Early FY 2015

OVERVIEW

Beginning in Fiscal Year 2010, the Police Department experienced significant reductions in budgeted staffing levels in order to address an ongoing General Fund budget deficit. From FY 2010 to FY 2013, the department's sworn and civilian positions were reduced by 155.25 FTE and 125.25 FTE, respectively. In FY 2013, the Police Department developed a Five-Year Plan to restore service areas adversely impacted by these prior budget reductions. The most recent update to the plan was prepared by the department in October 2013 and approved by the City Council the following month. Central to the plan is the goal of returning to the department's FY 2009 budgeted sworn staffing level of 2,128 officers.

The Fiscal Year 2015 Adopted Budget included significant investments in public safety, with a particular focus on increasing sworn staffing within the San Diego Police Department. The budget added 35.33 FTE sworn positions and included a total of \$7.3 million in additional expenditures for police officer hiring and retention. These expenditures included \$4.1 million for additional police recruits and \$3.2 million to fund the Police Retention Program, both of which are discussed in detail later in this report. On a separate track, a comprehensive compensation study for sworn police personnel is currently underway. At the request of the Public Safety and Livable Neighborhoods Committee, the Mayor's Office retained an outside consultant to conduct a survey of peer law enforcement agencies across the state. The results of the study are expected in early October 2014.

However, despite the addition of budgeted positions and increased resources for hiring, the department has faced challenges in its efforts to increase the number of actual filled sworn positions. Officer attrition has significantly impaired the department's ability to meet its sworn staffing goals. For example, in FY 2014, the department hired 160 new officers but lost 162 to attrition, resulting in a net loss of two officers. Additionally, as veteran officers leave the

department and are replaced by new recruits, the department loses the benefit of those officers' years of experience. Currently, more than half of officers working patrol have six or fewer years of experience.

Using available staffing data from the first two months of FY 2015, this report examines the challenges the Police Department continues to face related to attrition. We also review the City's investments in police officer recruitment and retention thus far in FY 2015, and offer a list of options to further strengthen those efforts.

FISCAL/POLICY DISCUSSION

Recruitment

The FY 2015 Adopted Budget added 60.73 FTEs to the Police Department. Of those additions, 35.33 FTEs were sworn personnel. The positions included:

- 1.00 FTE for an Assistant Police Chief.
- 7.33 FTEs to annualize funding for 16.00 additional Police Recruits that had partial year funding in FY 2014.
- 9.00 Police Officer 2s for Police Recruits added to the May 2014 academy.
- 18.00 annualized FTEs to support an increase in class size from 34 to 43 Police Recruits for each of the four FY 2015 academies.

The table below gives a historical perspective of budgeted staffing levels for the Police Department from FY 2010 through FY 2015.

| Police Budgeted Staffing Levels Since FY 2010 | | | | | | |
|------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| Sworn | 2,124.75 | 1,991.00 | 1,969.50 | 1,969.50 | 1,977.67 | 2,013.00 |
| Civilian | 630.00 | 503.00 | 504.25 | 504.75 | 511.75 | 526.75 |
| Total | 2,754.75 | 2,494.00 | 2,473.75 | 2,474.25 | 2,489.42 | 2,539.75 |

The addition of budgeted positions to the Police Department was intended to make progress in achieving the staffing needs identified in the department's Five-Year Plan. In particular, the department's goal is to return to its FY 2009 budgeted sworn staffing level of 2,128 officers. The ability to meet that goal, however, depends not only on adding positions to the budget but also on successfully recruiting new officers and retaining existing ones.

The 101st San Diego Police Academy, the first academy of FY 2015, began on August 18, 2014, and will graduate on February 2, 2015. The academy started with and currently has 46 new hires, including 41 Police Recruits and 5 lateral hires. Although the FY 2015 Adopted Budget authorized academy classes of 43 each, it is common practice for the department to enroll slightly more or fewer trainees per class depending on variable factors such as attrition.

Based on the first two months of Police Department staffing data for FY 2015, academy hiring appears to be successfully meeting the levels set by the FY 2015 Adopted Budget. The net impact of this hiring on department sworn staffing, however, is dependent on the rate of attrition. The department's current attrition rate is discussed in greater detail later in this report.

Retention

Both the FY 2014 and FY 2015 budgets included funding for a police officer retention program. The FY 2014 Adopted Budget included \$2.0 million for an increased uniform and equipment allowance for sworn officers (approximately \$900 per officer). The FY 2015 Adopted Budget did not continue that expenditure but instead replaced it with a \$3.2 million expenditure for increased overtime pay. Specifically, the practice of awarding holiday premium pay was reinstated subject to the terms of a side letter agreement with the San Diego Police Officers Association (POA). The police officer retention program has taken the form of non-pensionable compensation in order to comply with the terms of Proposition B, which restricts the ability of the City Council to approve across-the-board increases to pensionable pay.

In addition to the reinstated holiday premium pay, under the terms of the City's current Memorandum of Understanding (MOU) with the POA, sworn personnel received and are scheduled to receive the following increases in non-pensionable pay: 2% in FY 2014, 1% in FY 2015, 2% in FY 2016, 1% in FY 2017, and 1% in FY 2018. The MOU allows the POA to request a reopener on or before November 1, 2015, to meet and confer regarding additional increases to non-pensionable compensation for FY 2017. Pursuant to the terms of Proposition B, a two-thirds vote of the City Council is required to approve a tentative agreement that increases pensionable compensation above levels established in the FY 2011 Salary Ordinance.

The employment marketplace for police officers in the San Diego region is a competitive one. As such, the impacts of the City's police retention efforts depend largely on the actions of other neighboring law enforcement agencies. Since the FY 2015 budget was adopted, for example, a new MOU between the County of San Diego and the Deputy Sheriff's Association of San Diego County has gone into effect, granting an 8% salary increase over the next four years. The agreement also created an additional top step, increased by 2.5%, for all classifications. Additionally, the County awarded all eligible deputies a one-time payment of \$750.

A comprehensive study of total compensation for sworn police personnel at peer law enforcement agencies across the state is currently being conducted by an outside consultant, Segal Waters Consulting, under the direction of the Human Resources Department. The results of the study are expected to be released in early October 2014.

Attrition

In order to increase sworn staffing levels, the Police Department must hire more new officers than it loses to attrition each year. While the department is on track to hire additional officers through expanded police academies this year, it continues to face the obstacle of a persistently high rate of attrition. The department's attrition rate for sworn personnel has increased over the past five years, from a low of 5.6 per month in FY 2010 to a high of 13.5 per month in FY 2014.

Based on two full months of data available from FY 2015, the rate is currently 14.5 per month. (From July 1, 2014 to September 1, 2014, the department lost 29 sworn officers, seven of whom left for other law enforcement agencies.)

| Sworn Attrition Since FY 2010 | | |
|--------------------------------------|--------------------------------------------------|----------------------------------------------------------|
| | Attrition Rate (Departures per Month) | Lost to Other Agencies (Departures per Month) |
| FY 2010 | 5.6 | 0.7 |
| FY 2011 | 5.8 | 0.8 |
| FY 2012 | 7.9 | 1.1 |
| FY 2013 | 9.9 | 1.3 |
| FY 2014 | 13.5 | 1.4 |
| FY 2015 | 14.5* | 3.5* |

*Based on data from the first two months of FY 2015

Attrition rates for FY 2010 through FY 2015, including data for officers that have left the department for other law enforcement agencies, are provided in the table above. It is important to note that in addition to the overall rate of attrition increasing over the past five years, the rate of departures for other law enforcement agencies has also increased. Based on data from the first two months of FY 2015, the rate of departures for other agencies has more than doubled since FY 2014.

Also noteworthy is the fact that in recent fiscal years, actual attrition rates have exceeded the rates assumed in developing the Police Department's budget. In FY 2014, the budget assumed a sworn attrition rate of seven departures per month. In reality, the actual attrition rate in FY 2014 was 13.5 departures per month. In FY 2015, the budget assumed a sworn attrition rate of nine departures per month. Based on data from the first two months of FY 2015, the rate is currently 14.5 departures per month. According to Financial Management, the assumed attrition rate was one of the factors used to calculate the department's FY 2015 budgeted sworn vacancy savings of \$6,892,409. If sworn attrition continues to exceed budget assumptions for FY 2015, the Police Department will end the fiscal year with higher-than-anticipated vacancies.

Using an assumed rate of attrition of nine sworn officers per month, as was done in the budget, the Office of the IBA estimated in April 2014 that the increased police academy hiring included in the FY 2015 budget could result in the department meeting its sworn staffing goal in July 2018. However, with recent attrition rates of 13.5 per month in FY 2014 and 14.5 per month at the start of FY 2015, this goal will be unattainable. In fact, as illustrated in the table on the following page, should attrition continue at the current rate, the department will experience a net loss of sworn personnel by the end of FY 2015.

| Sworn Staffing Potential Net Gains/Losses in FY 2015 | | | | | | | |
|------------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Attrition @ 9/mo. | Attrition @ 10/mo. | Attrition @ 11/mo. | Attrition @ 12/mo. | Attrition @ 13/mo. | Attrition @ 14/mo. | Attrition @ 15/mo. |
| Filled Positions at Start of FY | 1,836 | 1,836 | 1,836 | 1,836 | 1,836 | 1,836 | 1,836 |
| Authorized Academy Hires* | 172 | 172 | 172 | 172 | 172 | 172 | 172 |
| Projected Departures | 108 | 120 | 132 | 144 | 156 | 168 | 180 |
| Filled Positions at FY End | 1,900 | 1,888 | 1,876 | 1,864 | 1,852 | 1,840 | 1,828 |
| Net Gain/Loss | 64 | 52 | 40 | 28 | 16 | 4 | (8) |

*The FY 2015 Adopted Budget authorized four academies with 43 recruits per class.

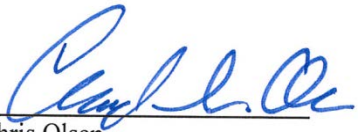
Available Options to Increase Sworn Staffing

Although only two full months of FY 2015 data are available, the Police Department is currently experiencing an attrition rate of 14.5 sworn personnel per month, which is significantly greater than the FY 2015 budgeted assumption of nine per month and also exceeds the actual attrition rate of 13.5 per month observed in FY 2014. If attrition continues to exceed FY 2015 budget assumptions, the only way for the Police Department to staff sworn personnel at budgeted levels would be either to further increase hiring or to decrease the attrition rate. We have reviewed several options available to the City Council and describe them in detail below.

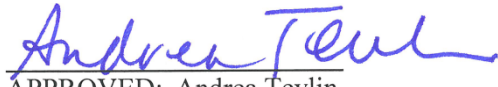
1. **Authorize a modest increase in class size for future police academies at Mid-Year if trends continue over the next several months.** Should the attrition rate continue to surpass nine departures per month, as assumed in the FY 2015 Adopted Budget, the Police Department will likely experience vacancy savings in excess of budget. Assuming that other personnel costs such as overtime do not also significantly increase as a result, these savings could offset the cost of increasing academy class size while staying within budget. However, the department has cautioned that the current 101st Academy, which has 46 trainees, is already using its full allotment of available space at the regional academy. We recommend that any increase to future academies be conservative and determined in close cooperation with the department to ensure that needed space can be made available and that instruction quality remains uncompromised.
2. **Augment the Police Retention Program by reinstating part or all of the increased uniform allowance at Mid-Year.** Increased vacancy savings, which are likely to result from greater than anticipated attrition, could also be used to offset an increased one-time expenditure for the uniform allowance for sworn personnel. The Council may also consider budgeting a portion of budget surplus should it be identified during the FY 2015 Mid-Year Budget Review process. Changes to the Police Retention Program would require meet and confer with the POA.
3. **Consider the results of the sworn compensation study and determine the feasibility of increasing pensionable compensation for sworn officers.** The Council and the POA, upon mutual agreement, could potentially meet and confer over this issue. Pursuant to the terms of Proposition B, a two-thirds vote of the City Council is required to approve a tentative agreement that increases pensionable compensation above levels established in the FY 2011 Salary Ordinance.

CONCLUSION

It bears repeating that the analysis of Police Department sworn staffing that we have provided in this report is preliminary, as it is based on only two months of data from FY 2015. However, it is concerning that the department's sworn attrition rate currently exceeds budgeted assumptions by over 60 percent and that attrition in FY 2014 was also higher than anticipated. Should this trend continue, the department will not achieve its sworn staffing goal by July 2018 as previously projected. Depending on the severity of the problem, the department may even experience a net loss of sworn officers by the end of FY 2015. The department collects very robust personnel data and analyzes it on a weekly basis. The Public Safety & Livable Neighborhoods Committee should continue to review and monitor this data, as attrition may change throughout the fiscal year. We have offered the above recommendations as a starting point for future Council discussions regarding the City's efforts to increase Police Department sworn staffing levels.



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