Performance Audit of Fire–Rescue Overtime

Why OCA Did This Study

The San Diego Fire-Rescue Department's (Fire-Rescue) public safety service is crucial and one of the City of San Diego's (City) top priorities. Fire-Rescue uses overtime to ensure it can respond to emergency fire and medical calls 24 hours a day, 365 days a year.

We conducted a performance audit with three objectives:

(1) Determine what factors contribute most to Fire-Rescue's overtime costs and if there are opportunities to reduce costs;

(2) Determine if Fire-Rescue's current staffing model is optimized to meet its service-level requirements; and

(3) Determine if there are opportunities to improve the overtime budgeting process.

What OCA Found

Fire-Rescue manages its staffing model, work limits, and overtime tracking well. However, we found opportunities to improve its overtime budgeting and staffing projections.

Finding 1: **The Fire-Rescue Department should document and refine its overtime budgeting methodology to reduce the risk of consistent budget overages.**

- Fire-Rescue consistently exceeded its overtime budget from FY2019 through FY2024, resulting in about **$71.6 million** in total overages.

- Fire-Rescue offset $39.7 million of its overages with salary savings and strike team deployment reimbursement revenues, resulting in about $31.8 million that had to be offset using other General Fund sources.

- Relying on savings from other General Fund sources reduces funding available for future years.

- Vacancies and leave comprised an average of 83 percent of Fire-Rescue's overtime budget overages from FY2022 through FY2024, indicating that it **consistently underestimated its actual needs.**

- Fire-Rescue has an established methodology for developing its overtime budget; however, it is not formally documented.

- While Fire-Rescue's overtime budget overages from FY2021 through FY2023 were also driven by impacts from the COVID-19 pandemic, we found that its overtime estimates related to vacancies and leave remained the same during that time period.

- The Department of Finance has not consistently included salary increases in Fire-Rescue's overtime budget, which contributed to overages from FY2019 through FY2023.

- More accurately budgeting for overtime would reduce the potential for General Fund impacts, **minimizing financial strain on the City.**

Exhibit 13: Vacancies and Leave Comprised 83% of Fire-Rescue's Overages on Average from FY2022 Through FY2024
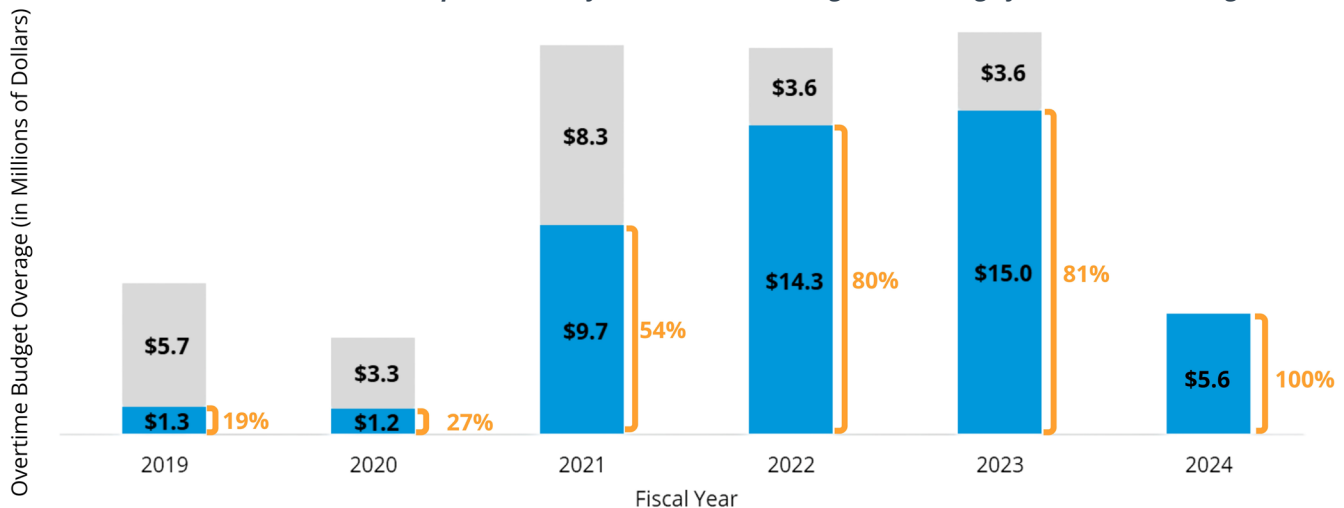
Source: OCA generated based on budget data provided by Fire-Rescue.

Finding 2: The Fire-Rescue Department should include all sworn employees in its staffing projections to more reliably determine how many academies it needs to reach full staffing and reduce overtime.

- Fire-Rescue **underestimated its attrition and vacancies and overestimated its expected academy graduates**, leading it to request too few academies to meet its projected full staffing dates in FY2021, FY2022, FY2024, and FY2025.

- Holding too few academies delays full staffing and creates more overtime for employees until vacant positions are filled, which can have financial and staffing impacts.

- Given that **staffing projections are a core component of Fire-Rescue's overtime budget estimates**, they should be as accurate as possible.

- Fire-Rescue's staffing projections only account for employees in the Operations Division (Operations) instead of all sworn positions, likely contributing to Fire-Rescue repeatedly missing its projected full staffing dates.

- In November 2024, Fire-Rescue projected it would take two years to reach full staffing by holding two annual academies, while we found that it could take seven years. If Fire-Rescue held three annual fire academies, it could take as few as two years to hire enough employees to achieve full staffing.

Exhibit 17: Fire-Rescue Would Reach Full Staffing Five Years Faster by Holding Three Annual Fire Academies

Two Academies per Year

Start	70 vacancies
FY2026	60 vacancies
FY2027	50 vacancies
FY2028	40 vacancies
FY2029	30 vacancies
FY2030	20 vacancies
FY2031	10 vacancies
FY2032	0 vacancies

Three Academies per Year

Start	70 vacancies
FY2026	34 vacancies
FY2027	+2 relief employees
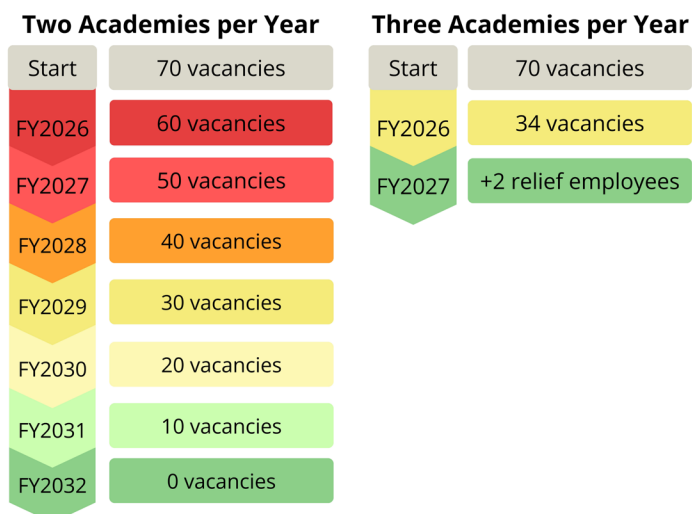
Source: OCA generated based on vacancy data from SAP, attrition data provided by the Personnel Department, and academy graduate data from Fire-Rescue.

Finding 3: The Fire-Rescue Department should update its relief factor calculation to further reduce overtime after it reaches full staffing.

- A relief pool, which is a group of employees who fill absences that would otherwise be filled using overtime, could reduce overtime, provide increased support during emergencies, and benefit firefighters who desire less overtime.

- Fire-Rescue should update its relief factor to project its relief pool size more accurately.

- Fire-Rescue should incorporate all employee absence types using historical data, create a relief factor for each job classification individually, and focus on times when employees take the least time off to avoid over-hiring.

What OCA Recommends

We made **6 recommendations** to improve Fire-Rescue's overtime processes. Key recommendations include:

- Fire-Rescue should **refine and formally document its overtime budgeting methodology** in coordination with the Department of Finance.

- The Department of Finance should collaborate with Fire-Rescue to **include negotiated salary adjustments in the overtime budget** to reduce the potential for future overages.

- Fire-Rescue should **revise its staffing projection methodology to include all positions that are filled using academies** to accurately account for staffing needs.

- During the annual budgeting process, Fire-Rescue should **analyze how its requested number of fire academies would impact overtime and staffing**.

- Fire-Rescue should **update its relief factor calculation** to account for the **actual number of daily absences** by job classification in Operations **using historical data**.

Fire-Rescue **agreed to all 6 recommendations.**

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