



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Larry Esquivel
Jennifer A. Maguire

SUBJECT: POLICE STAFFING
RESTORATION STRATEGY

DATE: May 21, 2014

Approved

Date

5/23/14

In the Mayor's March Budget Message for Fiscal Year 2014-2015, as approved by the City Council, staff was directed to present a Manager's Budget Addendum (MBA) that provides a four-year Police Staffing Restoration Strategy (Strategy). In addition, as part of this Strategy, staff was directed to prioritize the reestablishment of the Burglary Unit within the Police Department. Consistent with that direction, this MBA outlines a strategy to reach a level of 1,250 sworn officers under two attrition scenarios and discusses the prioritization of the Burglary Unit within the overall Strategy. This MBA also identifies the additional resources that would be necessary to support this Strategy.

BACKGROUND

On September 3, 2013, the City Council directed the City Manager to present for City Council consideration a four-year Police Staffing Restoration Strategy to reach a level of 1,250 officers. The Strategy was to consist of: (1) filling current vacancies; (2) restoring wages by at least ten percent within four years; and (3) adding 141 new sworn positions, as well as consideration of funding sources necessary and identification of any shortfall that would require a voter-approved revenue measure to address. On December 10, 2013, the City Council approved a Memorandum of Agreement with the San Jose Police Officers Association that, among other items, restored the ten percent pay reduction over a two and a half year period. Also, the City has begun to realize savings from Tier 2 retirement benefits for new police officers effective August 2013 that have been factored into the 2014-2015 Proposed Budget and Five-Year General Fund Forecast.

The current authorized Police sworn staffing level is 1,109. As of May 15, 2014, there were 1,011 filled sworn positions (98 vacancies, or 91.2% of authorized levels). The filled positions included 44 officers in the Field Training Officer (FTO) Program and 2 recruits injured in Academy 20, who will be attending Academy 21; resulting in 965 street-ready sworn staff, or 87.0% of authorized levels. This number is further impacted by staff not available for duty due to temporary disabilities or long-term leave: 35 sworn staff on disability, 24 on modified duty and 14 on other long-term leave; bringing the level of officers available for full duty to 892 or 80.4% of authorized levels.

The current sworn staffing levels are slightly lower than levels from one year ago despite efforts

to recruit and hire qualified candidates from two academies conducted during the past year. On April 18, 2013, the Department had 1,090 filled sworn positions, which included 50 in the FTO Program and 49 in the Academy, resulting in 991 street-ready sworn or 89.3% of authorized levels.

As part of the 2013-2014 budget process, MBA #32, *Police Sworn Recruitment and Training Acceleration*, was issued providing information on strategies to increase the rate of hiring and training of new police officers. As noted in that MBA, the Department's goal is to hire and train 60 recruits twice annually. However, to date, the Department has not met this goal. San José Police Academy 19 began in April 2013, with a total of 50 recruits and is the latest Academy class to complete field training. Of the recruits that began this Academy, 10 (20%) separated during the Academy. This is a much higher rate of separation than is typically experienced (10%) during training. In addition, another 22 have separated during or after field training.

ANALYSIS

The Police Staffing Restoration Strategy includes two major components (1) strategy to fill current authorized positions and (2) strategy to add additional sworn staff, including identifying funding to support these additional positions. Following is a discussion of these two components.

Filling Current Positions

As described above, 1,011, or 91.2%, of the 1,109 authorized sworn positions are currently filled. After accounting for positions in training, there are 965 street-ready sworn staff, or 87.0% of authorized levels. In order to fill vacant positions, the Police Department will continue to pursue strategies to effectively recruit, hire, and train sworn personnel. The San José Police Department (SJPD) has an exemplary hiring and training process that aims to create a professional, highly skilled workforce to protect and serve the citizens of San José. The goal is to obtain as many qualified candidates through the hiring process and in an Academy as soon as possible to fill vacancies. The process has historically spanned approximately 18 months from initial candidate interest to realizing a fully-trained, street-ready officer. Efforts are underway to shorten this time period and to increase the number of candidates.

Recruiting & Hiring

Recruiting efforts are a priority for the Department. The Department encourages all sworn and civilian personnel to actively recruit, as some of the best candidates come from internal recruitments. Currently, the Recruiting Unit attends diversity specific job fairs, Junior and State College and University job fairs, military sponsored events, or other events that can reach potential candidates. Recruiting efforts continue to be challenging, as neighboring agencies are competing for the same qualified candidate pool. To assist in overcoming this challenge, the Department is in the process of partnering with a recruiting marketing firm to create a new professional marketing plan. The plan will include improved branding of the Department, an updated and revamped interactive website, increased advertising, and a new internet marketing

strategy. The Department anticipates that these new efforts will increase the number of qualified candidates who apply for both sworn and civilian positions.

Candidates also exit the hiring process with San José due to the length of time an applicant waits before they are accepted into an academy, currently 12 months. This lengthy process contributes to the ineffectiveness of the recruitment process, as quality candidates are engaged by competing agencies. The Department has initiated a new hiring cycle that includes continuous testing and backgrounding to reduce the length of time an applicant is in the process and receives a job offer. With proper planning and logistics, sufficient staffing of background investigators, the time frame an applicant can get hired can be reduced from 18 months to as little as four to nine months.

The San José Police Department (SJPD) has always been one of the most highly sought out law enforcement agencies. However, recent retention and recruiting challenges have placed the Department at a competitive disadvantage compared to other police agencies in the greater Bay Area. In addition, sworn staff have been leaving the Department before they reach retirement age at a much higher rate than in previous years. From January 2013 through December 2013, a total of 118 sworn staff separated service: 34 recruits left during training, 35 retired and another 49 officers resigned.

The Department is currently recruiting in a job rich environment and competing with over 50 police agencies in the greater Bay Area for the same pool of candidates. Although there are many challenges the Department is currently facing, the overall number of applications received has increased since the Department began recruiting again in 2012. In contrast, the quality of these applicants has declined. As the numbers show, fewer candidates are meeting the minimum requirements or passing backgrounds. Historically, the Department backgrounds 4 candidates to obtain 1 qualified recruit; however, in the last cycle the average was 7.5 candidates for 1 qualified recruit. Many SJPD applicants also apply to other police agencies during the recruiting process. A number of these applicants exit the SJPD hiring process when contacted by another agency, resulting in the loss of candidates.

As noted in the following table, *Table 1: Historical Recruiting & Hiring Cycle*, in September 2012, the Department received a total of 843 applicants, of which 371 were qualified applications. A total of 62, or 16.7%, of the qualified applicants were hired as recruits, direct entries or laterals. The number of hires since then has declined to 3.7% of qualified applicants, as indicated in the most recent recruiting and hiring cycle in May 2014, with 26 new hires and 2 held over from the previous academy starting an academy on May 19, 2014.

Table 1: Historical Recruiting & Hiring Cycle

Recruiting & Hiring Cycle	Academy 18 September 2012	Academy 19 April 2013	Academy 20 October 2013	Academy 21 May 2014
Number of Applications Received	843	1,400	1,676	1,371
Qualified Applicants	371	698	984	754
Applicants That Proceeded to Backgrounds	250	331	347	247
Hired	62	53	56	28
% of Qualified Applicants Hired	16.7%	7.6%	5.7%	3.7%

The next academy class is scheduled to begin in October 2014. Currently, 265 candidates are in the background process. This recruiting cycle began with a total of 3,642 applications received. While this is a much larger number than in previous cycles, please note the Department implemented a change in how applications are tracked beginning this recruiting cycle (Academy 22). The previous process of tracking applications did not really gauge Department recruiting efforts. Prior to Academy 22, the number of applications received included only those applicants who submitted an application, along with the POST Written and Physical Agility test scores. Those that only submitted an application and did not submit their POST Written and Physical Agility test scores were not included in previous numbers. The new tracking of applications includes all candidates that submit an application. The number of qualified applicants for the upcoming October 2014 Academy 22 is 1,378. While this number is much higher when compared to the number of qualified applicants in the previous cycle (754), only 265 are moving to background, compared to 247 from the previous cycle based on the Department's screening criteria.

Recently the Department initiated a Fast Track program for laterals and direct entries. Previously, lateral and direct entry candidates would wait for the recruit candidate cycle to finish before being hired. This was done to align the hiring with other recruits who were entering the FTO Program, so the FTO Program would receive recruits on the same cycle. The new Fast Track process puts these lateral and direct entry candidates through to backgrounding as they complete the testing phase. As they clear backgrounds, they can be hired and placed into the FTO Program off-cycle. Recently, the Department fast tracked 10 applicants in the lateral/direct entry/reserve classification to test this model. Of the 10 applicants, 3 were hired in approximately 3 months. The implementation of Fast Track will allow the Department to hire lateral and direct entries quickly, boosting the number of hires within the year.

As part of this Fast Track process, and to prepare for three academies annually, the Department will begin an ongoing recruiting and testing cycles. For example, the Department is currently recruiting for the February 2015 Academy 23. The application process is open and continuous and as applications come in, the Department is beginning the testing process and moving candidates into the background process immediately. This will continue each month and is expected to not only speed up the hiring process, but increase the number of candidates who remain in the shortened process.

Recruiting efforts are also being expanded to include satellite recruiting and a new focus on direct entry applicants. The Department started an internal pilot project for satellite recruiting by partnering with the SJPD Black Police Officer's Association for specific outreach to the African-American community. The advantage of this pilot is it touches many other ethnically diverse communities within San José. These officers actively recruit in the African-American community through personal contacts, community business organizations, and faith-based organizations. They also hold pre-testing seminars and mentoring for those individuals who want to understand what law enforcement is all about or need assistance with the application and testing process. The Department intends to extend the satellite recruiting to other officers in the Department who will focus on recruiting in various employment markets. This will allow the expansion of recruiting efforts and encourage staff to participate and mentor incoming recruits.

Direct entry candidates are those who have completed a POST certified academy. There are approximately 25 public California POST certified academies. Each academy usually schedules two classes a year at an estimated capacity of 40 to 50 students with no police department affiliation. With the downsizing of each military branch, more veterans are entering the police academy utilizing their GI Bill incentive (tuition paid by the U.S. Government). The Department is beginning a campaign to actively recruit at these non-affiliated academies. This effort, coupled with the Fast Track hiring, noted above, is a great incentive for any direct entry applicant who is self-sponsoring themselves through an academy. The goal is to hire the best from an academy by securing them with a job offer contingent upon graduating from the academy. It should be noted that the Department is exploring an academy tuition reimbursement upon successful completion of probation, which may give San José a competitive advantage over other agencies who recruit from these academies, since very few departments offer incentives to direct entry applicants. Estimated academy tuition is from \$4,500 to \$6,000.

Training Process

Currently, the Police Department is budgeted for two Recruit Academies per year. Academies are provided by the South Bay Regional Public Safety Training Consortium (South Bay). South Bay provides management oversight, administrative support, and instructors, while SJPD provides additional supervision and training officers to support the Academy. The agreement between SJPD and South Bay allows the Department to conduct up to two academies per year, with a maximum of 60 recruits in each academy. However, the Department has yet to begin an Academy with 60 recruits and further has only graduated an Academy with a high of 43. SJPD has discussed the possibility of South Bay supporting a third San José Police Academy; however, logistically, the facility cannot support overlapping academies with a class size of more than 45. In addition, even if SJPD was able to fill an academy of 45 recruits, there is the possibility that the San José specific Academy at South Bay would include police recruits affiliated with other police agencies.

Recently, the SJPD was informed that as early as 2015 South Bay will be displaced from their current facility. South Bay is developing plans for a new site that is expected to be operational by 2018. South Bay intends to have a temporary facility available at Gavilan College in Gilroy. Due to this loss of the South Bay facility, the 2014-2015 Proposed Budget includes a proposal to temporarily re-configure the South San José Police Substation to be used as a training facility for

May 21, 2014

Subject: Police Staffing Restoration Strategy

Page 6

new Academies. As part of the long-term staffing strategy, the 2014-2015 Proposed Budget also includes the recommended addition of a third Academy. The additional Academy will improve the hiring process by reducing the cycle time an applicant currently experiences, thus reducing the number of applicants lost prior to the beginning of a new Academy. Ultimately, the third Academy will increase the number of recruits trained and hired and will result in sworn staff being street ready faster than they would be otherwise under a two academy scenario.

With the Substation repurposed, the Department will have the option of either conducting two Academies at the South Bay facility and the third Academy at the Substation or conducting all three Academies at the Substation until South Bay builds its new facility (expected in 2018). By hosting Academies at its own facility, the Department will be able to run academies on its own cycle and not be tied to South Bay's availability. The Department is finalizing the details to increase the number of academies in 2014-2015. As the third Academy is finalized, it is expected that initially each of the three academies will have up to 45 recruits.

To accommodate the start of a third academy, the Department is anticipating the need to accelerate Academy 22 (A-22) to begin in October 2014, rather than December 2014. However, because the Substation is not expected to be completed before October, A-22 will remain at the South Bay facility. With the acceleration of A-22, the Department has already moved forward 265 candidates into the background process and fully expects to be ready for the October 2014 Academy. Because A-22 will begin in October, there is an expected overlap with Academy 21, which graduates on November 7, 2014. Due to this overlap, an additional sergeant and two officers will be reassigned from Patrol to A-22. All other support for the academy will be provided by South Bay. The Department has already confirmed with South Bay that they will be able to provide administrative support to conduct three academies annually.

Academy 23 is projected to begin approximately February/March 2015. It is expected that this academy would be the first to begin at the Substation with support from South Bay. Academy 24 would be planned for June 2015. From this point forward, the cycle would continue with three academies, annually. Repurposing the Substation builds capacity and flexibility for each academy as needed.

The efforts described above lay out a foundation for the Department to begin accelerating the hiring and training of new law enforcement officers. Building capacity for academies at the Police Substation will allow the Department to increase the academy size and deliver quality training, as needed. The academies can increase over time to train a larger number of recruits, but quality recruits must first apply. The recruiting efforts detailed above are expected to increase the number of qualified applicants. To support the hiring and training process, the 2014-2015 Proposed Budget also includes recommended increases in funding for recruiting efforts and expanded background resources.

Adding New Positions

The second component of the Police Staffing Restoration Strategy is to increase the authorized sworn staffing level by 141, from 1,109 to 1,250 over a four-year period and to identify the level of funding necessary to support those new positions. In developing this Strategy, one of the

major assumptions is that new positions would only be added once the Department is able to fill the existing vacancies. Two scenarios have been developed reflecting different assumptions regarding sworn officer retention that would impact the timing of adding new positions. Under Scenario A, the current attrition patterns would continue; while under Scenario B, the attrition patterns would return to more historic levels.

In developing the staffing restoration scenarios, it is assumed that a mix of sworn classifications will be necessary. As Police Officer positions are restored, there will be a corresponding need to restore Police Sergeant and Police Lieutenant positions in order to continue providing adequate supervisory and strategic guidance for the Department. In Field Patrol, staffing ratios are as follows: 1.0 Police Sergeant to every 6.0 Police Officers, 1.0 Police Lieutenant to every 5.0 Police Sergeants, and 1.0 Police Captain to every 6.0 Police Lieutenants. These ratios are based on Field Patrol staffing history from 2009-2010 prior to reductions in that Bureau; however, it should be noted that these ratios are approximate and subject to change as the Department analyzes Patrol/BOI redeployment strategies as well as the full Police Substation opening, once staffing permits.

Scenario A: Current Attrition and Hiring Patterns

The Department is impacted by both retirements and resignations. In this scenario, retirements, which are modeled based on the number of staff eligible to retire over the next several years as well as historical retirement figures in later years, range from 40-60 per year. Retention also continues to be a major challenge in maintaining staffing levels. This impacts current staff as well as retaining applicants in the hiring process and retaining newly trained recruits once they complete the Academy. Currently, sworn staff has resigned from the Department at an average of four per month. While this is down from an average of 5-6 per month in 2012, it is still a significant number. Resignations are modeled at 4 per month in all years of this scenario.

In terms of Police Recruit training and the ability to fill vacant positions, Table 2 below assumes that the number of recruits in each recruit class is 45. Based on historical averages, attrition rates during the academy and the FTO Program were both assumed to be 10%. Considering these assumptions, the Department would reach the current authorized sworn positions (1,109) in late 2018-2019, but not actually reach the target of adding 141 positions to achieve a new sworn total of 1,250 positions within a four-year period. Adding these positions would extend beyond the four-year timeframe. The following table starts the addition of positions in 2018-2019.

**Scenario A: Police Staffing Restoration Strategy
 (Assume Current Attrition Patterns)**

Table 2

	2018-2019	2019-2020	2020-2021	2021-2022	Beyond 2021-2022
Authorized Positions	1,109	1,129	1,149	1,169	1,189
Incremental Increase	20	20	20	20	61
Total Authorized Positions	1,129	1,149	1,169	1,189	1,250
Incremental Cost to Add Positions	\$3.1M	\$3.2M	\$3.3M	\$3.4M	\$10.7M
Total Additional Cost*	\$3.1M	\$6.2M	\$9.5M	\$13.4M	\$25.0M

* This figure represents the one-time and ongoing costs to add positions in a given year plus the annualized cost of positions added in previous years.

Scenario B: Historical Attrition Patterns

Current attrition is significantly higher than historical levels. Assuming the City can resolve sworn retention issues, the attrition projection and staffing levels over the next several years would change dramatically. With all other assumptions the same as in Scenario A above, the average resignations is assumed to drop from 4 to 1 per month. In this scenario, the Department could begin restoring officer positions as early as mid to late 2015-2016 and would be able to add the 141 positions over a four-year period to reach the staffing level of 1,250.

**Scenario B: Police Staffing Restoration Strategy
 (Assume Historic Attrition Patterns)**

Table 3

	2015-2016	2016-2017	2017-2018	2018-2019
Authorized Positions	1,109	1,145	1,180	1,215
Incremental Increase	36	35	35	35
Total Authorized Positions	1,145	1,180	1,215	1,250
Incremental Cost to Add Positions	\$5.1M	\$5.1M	\$5.3M	\$5.4M
Total Additional Cost*	\$5.1M	\$10.0M	\$15.4M	\$21.5M

* This figure represents the one-time and ongoing costs to add positions in a given year plus the annualized cost of positions added in previous years.

Impact of Additional Positions on General Fund

Currently, the General Fund Five-Year Forecast shows a fairly stable budget, with projected surpluses and shortfalls of less than 1% over the next four years. Over this period (2015-2016 through 2018-2019), the General Fund shortfall is expected to cumulatively total \$12.0 million. However, as shown in Tables 4 and 5 below, the addition of 141 positions would have a significant impact on the General Fund Forecast under Scenario A or Scenario B as shown above.

If Scenario A was implemented, beginning in 2018-2019 through at least 2022, the cumulative cost to the General Fund would total \$25.0 million. Although the forecast does not extend

beyond 2018-2019, under this scenario, the total General Fund shortfall in the hiring period is estimated at \$37.0 million.

If Scenario B was implemented, beginning in 2015-2016 through 2018-2019, the cumulative cost to the General Fund would total \$21.5 million. Under this scenario, the total General Fund shortfall in the hiring period is estimated at \$33.5 million.

Impact of Police Staffing Restoration Strategy on General Fund Forecast
 (\$ in millions)

Table 4 – Scenario A

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	Beyond 2022	Total
Current Forecast	(\$4.2M)	\$0.4M	(\$6.5M)	(\$1.7M)	N/A	N/A	N/A	N/A	(\$12.0M)
Scenario A Impact	N/A	N/A	N/A	(\$3.1M)	(\$3.1M)	(\$3.3M)	(\$3.9M)	(11.6M)	(\$25.0M)
Total Shortfall/Surplus	(\$4.2M)	\$0.4M	(\$6.5M)	(\$4.8M)	(\$3.1M)	(\$3.3M)	(\$3.9M)	(11.6M)	(\$37.0M)

Table 5 – Scenario B

	2015-2016	2016-2017	2017-2018	2018-2019	Total
Current Forecast	(\$4.2M)	\$0.4M	(\$6.5M)	(\$1.7M)	(\$12.0M)
Scenario B Impact	(\$5.1M)	(\$4.9M)	(\$5.4M)	(\$6.1M)	(\$21.5M)
Total Shortfall/Surplus	(\$9.3M)	(\$4.5M)	(\$11.9M)	(\$7.8M)	(\$33.5M)

Given the current status of the General Fund, it is anticipated that, at least in the short term, new revenue sources would need to be identified and/or expenditure savings would need to be realized to support this additional staffing to avoid any impacts on other service areas.

In the direction to staff in September 2013 on the development of the Police Staffing Restoration Strategy, there were several other potential funding options identified that staff was directed to explore for viability. One of the major items was unachieved savings from fiscal reform efforts, including the potential expenditure savings that would be generated from the implementation of Measure B, which is currently in litigation. Given the legal challenges, no savings from unimplemented provisions of Measure B are currently available. Savings from the phased elimination of the Sick Leave Payments Upon Retirement payments were also identified as a potential funding source. In the 2014-2015 Proposed Budget, the funding level for this item is \$5.0 million, which is down from the ongoing amount of \$6.0 million assumed in 2013-2014. Given that the sick leave payments have been frozen for almost all existing City employees and eliminated for almost all new employees, additional savings will be realized over time and factored into future forecasts as appropriate. In addition, a potential reduction in overtime funding that has been necessary to cover staffing shortfalls was also to be considered. However, the overtime to backfill for staff vacancies has only been added on a one-time basis and would not be available as an ongoing funding source. The General Purpose Parking Fund and the Storm Sewer Operating Fund were also identified as potential funding sources to support police-related activities. Currently, a limited amount of funding is allocated in special funds to support Police Department efforts related to creek clean-ups, as appropriate. The General Purpose

Parking Fund is also used to support security services provided by the Police Department at the City's garages and may be available as a potential funding source for other uses depending on other funding priorities in that fund and bond covenants related to the 4th and San Fernando parking garage.

Prioritization of Burglary Unit


The Department has established a plan to address burglaries in the City of San José, which is outlined in the separate MBA, Prioritization of the Burglary Investigations Unit/Burglary Reduction Efforts. As staffing levels are restored, the Department must consider current issues and demands from the community. As such, at this point it is anticipated that positions would first be hired to address needs in Field Patrol and Persons Crimes units. Burglary Investigations Unit staffing needs, however, could be addressed in 2018-2019, based on the hiring in Scenario A noted above. Depending on attrition patterns and changes that may be implemented that affect retention, restoration could occur as early as 2015-2016, based on the hiring in Scenario B noted above.

Given the projected amount of time to add sworn resources, the Police Department will continue to effectively use non-sworn personnel, including the Crime Prevention staffing, Community Service Officers, and student interns, as well as the Police Reserves to help reduce burglaries. As discussed in the MBA, Prioritization of the Burglary Investigations Unit/Burglary Reduction Efforts, the 2014-2015 Proposed Budget recommends the addition of 2.0 Crime Prevention staff and 7.0 Community Service Officers to support the Police Department in these efforts.

Hire Ahead Program

Once current and any new positions are filled, the City Council may want to consider the restoration of the Police Sworn Hire Ahead Program to ensure that the budgeted positions are filled with street-ready staff as soon as possible. This Program, which was eliminated in 2009-2010, used dedicated funding to overstaff the Police Department above the authorized sworn staffing level to get a head start on training recruits so that they would be street ready within three months of when sworn vacancies occurred. The 2013-2014 Adopted Budget includes a \$3.0 million reserve for this program, which will be recommended to be rebudgeted to 2014-2015.

/s/
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