

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER


Date: February 13, 2024

CAO File No. 0220-06191-0000

Council File No. 23-0600-S115

Council District: --

To: The City Council

From: Matthew W. Szabo, City Administrative Officer 

Reference: C.F. 23-0600-S115 - Amending Motion 10C (Soto-Martinez) - Fiscal Concerns and Prioritization of Critical Hiring.

Subject: **POLICE DEPARTMENT – PROJECTED SWORN OFFICER HIRING AND SALARY SAVINGS**

RECOMMENDATION

This Office recommends to note and file this report back inasmuch as it is for informational purposes.

SUMMARY

On January 26, 2024, in consideration of a report from this Office regarding fiscal concerns and prioritization of critical hiring, the Council adopted Motion 10C (Soto-Martinez) which directed the City Administrative Officer to report back within one week to the full Council with a realistic sworn police hiring projection for Fiscal Year 2023-24 and any savings that could be generated by eliminating sworn positions unlikely to be filled.

Projected 2023-24 Sworn Police Hiring and Expenditures

The 2023-24 Adopted Budget funded sworn salaries of \$1,222,061,173 to deploy 9,493 officers, consisting of 9,293 regular officers and 200 recalled (BOUNCE) officers. The regular sworn officer head count assumed a July 1, 2023 deployment of 9,103 officers, with 590 attrition/780 hires throughout the year, for a net increase of 190 officers and a total head count of 9,293 by year-end. It was also projected that 200 recalled officers would be employed for an average of six months throughout the year, making the total year-end sworn officer target 9,493.

With six months of actual data, including deployment data and Memorandum of Understanding (MOU) No. 24 costs, we now project a net shortfall in the Sworn Salaries account of \$82,215,637. If the 2023-24 deployment targets were being achieved, the shortfall projection would be \$118,350,598, an additional \$36,134,961. The reduced shortfall projection results from, 1) The actual July 1, 2023, regular officer deployment of 9,027 officers versus 9,103 projected in the Adopted Budget (-\$10,540,820); and, 2) Reductions to the projected year-end net differences in

attrition/hiring/recalls from the Adopted Budget (-\$25,594,141). Given the increased costs for MOU 24, we anticipate no achievable savings in the Department’s Sworn Salaries account for 2023-24, despite these offsets. The table below provides additional details on our projection.

Police Department Sworn Salary Account Changes	Positions	Funding
2022-23 Adopted Budget	9,504	\$ 1,241,059,916
2023-24 Adopted Budget Adjustments Regular Sworn Salaries		
Obligatory Changes	9,504	(2,390,381)
Non-Obligatory Changes (MTA, MEU, CSP) ¹	-	19,439,022
Adjustment to July 1, 2023 Sworn Deployment (9,103 versus 9,504)	(401)	(49,539,348)
Planned Sworn Attrition	(590)	(15,553,651)
Planned Sworn Hiring	780	29,179,832
Subtotal	9,293	\$ (18,864,526)
Six-months Funding for 200 Recalled Officers (BOUNCE)	200	15,496,875
Budget, Finance, and Innovation Report No. 63 Reduction	-	(15,631,092)
2023-24 Adopted Budget	9,493	\$ 1,222,061,173
YTD Interim Estimated Adjustments		
Unbudgeted MOU 24 Compensation Costs	9,493	\$ 118,350,598
Adjustment to July 1, 2023 Sworn Deployment (9,027 versus 9,103)	(76)	(10,540,820)
Adjustment to Attrition ²	16	1,109,560
Adjustment to Hiring ³	(355)	(13,531,358)
Adjustment to Recalls (BOUNCE) ⁴	(170)	(13,172,344)
2023-24 Projected Shortfall	8,908	\$ 82,215,637
2023-24 Total Projected Expenditures	8,908	\$ 1,304,276,810

Notes:

1. Includes Sworn Salary account funding for the Los Angeles Metropolitan Transportation Authority contract, Mental Evaluation Unit, and Community Safety Partnerships. Positions funded for these programs are included in the starting number of positions, 9,504.
2. Projected assuming 6-months funding of the current average sworn salary rate: \$138,695.
3. Projected assuming 6-months funding of the current recruit salary rate: \$76,233.
4. Projected assuming 30 recalled officers will have worked for six months in 2023-24.

Relative to eliminating unfilled sworn positions in the Police Department, doing so would have no impact on our projected results due to the manner in which Police Department salary accounts are funded in the Annual Budget. Generally, 100-percent of filled and vacant positions in all City departments are funded for 12-months, less a department-specific salary savings rate percentage, with the exception of the Police Department.

Due primarily to its size and consequent variances in hiring, attrition, transfers, vacancies, payouts, salary-step advances, and other factors impacting salary accounts, a modified approach which only funds filled positions and positions to be filled above attrition is utilized in calculating the sworn and civilian salary budget requirements for the Department. This results in a more accurate budgeting method than could be achieved using the standard salary savings rate approach.

For example, in the 2023-24 Adopted Budget, 10,597 regular sworn Police Officer positions are authorized; however, the Sworn Salaries account included funding for only 9,293 regular sworn officers, and six-months funding for 200 retired officers to be recalled under the BOUNCE program. Therefore, eliminating the 1,104 unfunded sworn positions would result in no change to the Sworn Salaries account projected shortfall.

FISCAL IMPACT STATEMENT

The recommendation in this report will have no impact on the General Fund, as the report is provided for informational purposes, only.

FINANCIAL POLICIES STATEMENT

The City's Financial Policies are not applicable to the recommendation in this report, as it is provided for informational purposes, only.

MWS:TJM:04240080