



**DATE:** May 14, 2019

**TO:** Mayor and City Council

**FROM:** Chief of Police

**SUBJECT:** Authorize the City Manager to Establish a Police Trainee/Entry Level/Academy Graduate (TEAG) Hiring Bonus Program & Lateral Hiring Bonus Program and the Establishment of a Hiring Incentive Referral Program (HIRP)

## **RECOMMENDATION**

That the City Council adopts the attached resolutions authorizing the City Manager to establish a Police Trainee/Entry Level/Academy Graduate (TEAG), Lateral Hiring Bonus Program, and a Hiring Incentive Referral Program (HIRP). The Lateral Hiring Bonus Program and TEAG Hiring Bonus Program offer hiring bonuses in the amount of \$10,000 per qualified candidate hired. The HIRP offers current police department employees a \$2,000 incentive or 40 hours of **leave** time for referring qualified employees for full-time permanent positions within the police department.

## **SUMMARY**

The Hayward Police Department has experienced a diminished pool of well-qualified police officer applicants due to the competitive market and other factors. To attract more qualified applicants, staff recommends the development of a Police Trainee/Entry Level/Academy Graduate (TEAG) Hiring Bonus Program and Lateral Hiring Bonus Program in the amount of \$10,000 distributed over a three to four-year period in a four-phased approach. Additionally, the usage of a word-of-mouth recruitment strategy utilizing current departmental employees to refer potential candidates for full-time positions within the department can be done by instituting a Hiring Referral Incentive Program (HIRP). HIRP will offer a \$2,000 incentive or 40 hours of **leave** time to a current full-time police department employee who refers a hired candidate for any police department full-time position.

## **BACKGROUND**

The Hayward Police Department (HPD), like many other municipalities across the United States, has experienced a diminished pool of well-qualified police officer applicants. Industry standards in police recruiting have seen many law enforcement agencies

incorporating creative means to attract more qualified candidates for police officer and professional staff positions. There are many agencies that have incorporated incentive programs to assist in increasing their pool of eligible candidates for jobs. Hiring bonuses are now industry standard and are commonly used by departments to engage and attract the best talent. Staff research has shown that utilizing two types of hiring bonus programs can aid in attracting talent to HPD by offering monetary bonuses to new police officers. One program targets incentives towards entry-level officers via a Trainee/Entry Level/Academy Graduate (TEAG) hiring bonus and the other program targets incentives directed toward experienced officers already working as police officers in the Lateral Officer Hiring Bonus Program. Additionally, word-of-mouth recruiting is also a tested recruitment strategy that nearly all agencies continue to utilize. Staff's research has shown that implementing an incentive program that focuses on rewarding already existing employees within the organization who help in recruiting talent can be extremely beneficial and is outlined in staff's proposed Hiring Incentive Referral Program (HIRP).

**DISCUSSION**

**TEAG PROGRAM:** Across the United States, very few agencies utilize a Signing Bonus program for TEAG candidates. Table 1 below shows some jurisdictions where the entry level classification positions that qualify for a signing bonus are primarily individuals who qualified as Entry Level/Academy Graduates. There were no agencies found who utilized a Bonus Program for police officer trainee or police officer recruit classifications.

**TABLE 1: JURISDICTIONS OFFERING SIGNING BONUSES FOR ENTRY LEVEL/ACADEMY GRADUATES**

JURISDICTION	EXAMPLE OF SIGNING BONUSES OFFERED
Eureka Police Department Eureka, CA	<ul style="list-style-type: none"> <li>• \$5,000 Total Signing Bonus – Entry Level (Academy Graduate)</li> <li>• \$2,500 upon hire</li> <li>• \$2,500 upon successful completion of probation</li> </ul>
BART Police Department SF Bay Area	<ul style="list-style-type: none"> <li>• \$10,000 Total Signing Bonus – Entry Level (Academy Graduates)</li> <li>• \$5,000 upon hire</li> <li>• \$5,000 upon completion of FTO</li> </ul>
Farmington Police Department Farmington, NM	<ul style="list-style-type: none"> <li>• \$3,000 Total Signing Bonus – Entry Level (Academy Graduate)</li> <li>• \$3,000 paid upon completion of hiring process</li> </ul>

To attract more qualified TEAG applicants, staff recommends that the City adopt a Police Trainee/Entry Level/Academy Graduate (TEAG) Hiring Bonus Program. Based on surveying local agencies within California and the Western United States, staff recommends that a \$10,000 hiring bonus incentive for qualifying TEAG candidates. This amount is competitive relative to the cost of living in San Francisco Bay Area and provides for a substantial recruitment advantage as compared to agencies recruiting in the region. The employee hired would make a three-year commitment or repay the City on a prorated

basis. Staff further recommends that the TEAG signing bonus be distributed over four (4) phases as illustrated in Table 2 below:

**TABLE 2: ELIGIBILITY AND BONUS DISTRIBUTION FOR TEAG CANDIDATES**

PHASE	QUALIFICATION	BONUS AMOUNT
1 – 25%	Successful Completion of the testing process and acceptance of a final offer of employment to be paid on first pay period	\$2,500
2 – 25%	Successful Completion of Officer Field Training Program	\$2,500
3 – 25%	Successful Completion of the Officer Probationary Period	\$2,500
4 – 25%	Two years after the completion of Probationary Period	\$2,500
<b>TOTAL BONUS (Distributed Over a Four-Year Period):</b>		<b>\$10,000</b>

LATERAL OFFICER HIRING BONUS PROGRAM: The Hayward Police Department, like many other municipalities across the United States, has also experienced a diminished pool of well-qualified “Lateral” police officer applicants. Industry standards in police recruiting have seen many law enforcement agencies incorporating Lateral Bonus Programs to help attract more qualified Lateral Police Officer candidates. An effectively managed Lateral Bonus Program, coupled with other Lateral Officer hiring incentives, could potentially help in expanding HPD’s pool of well-qualified Lateral Police Officer applicants.

Across the United States, there are several agencies that have initiated Lateral Officer Bonus Programs that offer monetary incentives to qualified applicants. Most aggressively, staff found these programs in the Western Region of the United States. Uniquely, law enforcement agencies in the San Francisco Bay Area are using this recruitment technique to counter several economic factors such as housing costs, general cost of living and people moving out of the area in search of cheaper housing and decreased amounts of commuting.

**TABLE 3: JURISDICTIONS OFFERING SIGNING BONUSES FOR LATERAL POLICE OFFICERS**

JURISDICTION	EXAMPLE OF SIGNING BONUSES OFFERED
Salinas Police Department Salinas, CA	<ul style="list-style-type: none"> <li>• \$20,000 Signing Bonus</li> </ul>
Palm Springs Police Department Palm Springs, CA	<ul style="list-style-type: none"> <li>• \$10,000 Signing Bonus</li> <li>• 30% paid upon successful completion of thirty (30) days of employment; and</li> <li>• 30% paid upon successful completion of twelve (12) months of employment; and</li> <li>• 40% paid upon successful completion of the probationary period</li> </ul>
Palo Alto Police Department Palo Alto, CA	<ul style="list-style-type: none"> <li>• \$25,000 Signing Bonus</li> </ul>
Antioch Police Department Antioch, CA	<ul style="list-style-type: none"> <li>• \$10,000 Signing Bonus</li> <li>• \$2,500 Upon employment</li> <li>• \$2,500 Upon completion of probation</li> </ul>

	<ul style="list-style-type: none"> <li>• \$5,000 Upon three years of service</li> </ul>
Modesto Police Department	<ul style="list-style-type: none"> <li>• \$15,000 Signing Bonus</li> </ul>
El Segundo Police Department	<ul style="list-style-type: none"> <li>• \$25,000 Signing Bonus</li> </ul>
San Francisco Police Department	<ul style="list-style-type: none"> <li>• \$5,000 Signing Bonus</li> </ul>

To attract more qualified Lateral Police Officer applicants, staff recommends that the Hayward Police Department implement a Lateral Police Officer Hiring Bonus Program. Based on the results of the survey of local agencies within California and the Western United States, staff recommends a **\$10,000** hiring bonus incentive for qualifying Lateral Police Officer applicants. This amount is competitive relative to the cost of living in San Francisco Bay Area and provides for a substantial recruitment advantage as compared to agencies recruiting in the region. Staff further recommends that the Lateral Bonus Program allow for an incremental distribution of funds over four (4) phases as illustrated in Table 4 below:

**TABLE 4: ELIGIBILITY AND BONUS DISTRIBUTION FOR LATERAL POLICE OFFICER CANDIDATES**

PHASE	QUALIFICATION	BONUS AMOUNT
1 - 25%	Successful Completion of the testing process and acceptance of a final offer of employment to be paid on first pay period	<b>\$2,500</b>
2 - 25%	Successful Completion of Lateral Officer Field Training Program	<b>\$2,500</b>
3 - 25%	Successful Completion of the Lateral Officer Probationary Period	<b>\$2,500</b>
4 - 25%	Two years after the completion of Probationary Period	<b>\$2,500</b>
<b>TOTAL BONUS (Distributed Over a Three to Four-Year Period):</b>		<b>\$10,000</b>

**HIRP PROGRAM:** A recruitment strategy that utilizes its current employees to provide word-of-mouth recruiting can be an effective tool to engage and recruit new employees. Employee incentive plans have been around for years and often highlight new employees who have an interaction with a current departmental employee. This engagement can often provide some of the best candidates to fill vacancies within the Police department. To help supplement this word-of-mouth type of recruiting, staff recommends a Hiring Incentive Referral Program (HIRP) to help achieve recruitment/hiring goals of the department.

The HIRP pays a total of \$2,000 or forty (40) hours of Compensatory Leave Time (see schedule options below) to current departmental employees who refer non-City employees to the City of Hayward Police Department for employment into a full-time, permanently budgeted position. The new employee must have no prior work history with the City and notification of the referral must be provided to the Personnel and Training Unit via written notification.

**ELIGIBILITY GUIDELINES:**

- a. The Referrer must be a current employee of the Hayward Police Department.
- b. The new employee must be hired into a vacant full-time, permanently budgeted position.
- c. The new employee must pass probation to obtain full benefits of the HIRP.
- d. The new employee must have no prior work history with the City of Hayward.
- e. Written notification regarding the employee referral must be provided to the Personnel and Training Unit from the referring employee prior to any formal offer of employment.
- f. Only one (1) incentive award can be granted per new employee referral.

**INELIGIBILITY GUIDELINES:**

- a. A referring employee cannot be at the Executive level or above.
- b. Department employees assigned to the Personnel and Training Unit are not eligible for this program.
- c. Department employees assigned to the Recruitment Team are ineligible for referrals made during any Department sponsored recruiting event.
- d. Departmental employees may opt for incentive awards in cash or leave time but may not receive a combination of both.

**TABLE 5: EXTERNAL AND INTERNAL MONITORING PROCEDURE FOR SIGNING BONUS IMPLEMENTATION**

<b>EMPLOYEE/LEAD DEPARTMENT</b>	<b>PROCEDURE</b>
Employee	<ul style="list-style-type: none"> <li>○ Refers potential candidates to apply for open positions with the City of Hayward Police Department.</li> </ul>
Police Department: Personnel & Training Unit Division	<ul style="list-style-type: none"> <li>○ Offers referral information from the new hire’s job application.</li> <li>○ Notifies the referring employee if they are eligible to participate in the program.</li> <li>○ Confirms new employee provided a formal offer of employment. If all eligibility requirements are met, notification to Payroll to process payment for HIRP incentive award.</li> <li>○ Any disputes or interpretations of the program will be handled through Special Operations Division Commander.</li> </ul>
Finance Department: Payroll	<ul style="list-style-type: none"> <li>○ Process HIRP incentive award payment as taxable income.</li> </ul>

Payment/Award options for the HIRP are illustrated in Table 6:

**TABLE 6: PAYMENT AND AWARD OPTIONS**

<b>OPTION</b>	<b>PROCEDURE</b>
Cash/Monetary Award	<ul style="list-style-type: none"><li>○ Referring Employee receives a \$2,000 total cash incentive phased as follows:<ul style="list-style-type: none"><li>▪ Referring employee receives \$1,000 of award after formal offer of employment has been given to new employee.</li><li>▪ Referring employee receives the remaining \$1,000 of the award upon completion of probationary period by new employee.</li></ul></li></ul>
Comp Time	<ul style="list-style-type: none"><li>○ Referring employee receives forty (40) hours of comp leave time upon formal offer of employment being given to new employee.</li></ul>

**FISCAL IMPACT**

The Trainee/Entry Level/Academy Graduate (TEAG) Bonus Program will cost up to \$10,000 per hire, which will be paid over four years following the hire date. Based on hiring trends from 2016 and 2017, the Police Department anticipates hiring up to 10 officers eligible for TEAG Bonuses per year. The estimated biennial cost anticipated for the TEAG Bonus Program if all 10 officers are hired in a single year is up to \$100,000 (*cost spread over four years*). Staff anticipates that the cost of this program will be funded using salary savings from vacancies of currently budgeted positions; therefore, no additional General Fund impact is anticipated in the near term.

The Lateral Bonus Program will cost up to \$10,000 per hire and will be paid over three to four years after the employee’s hiring date according to the Bonus Distribution discussed above. Based on hiring trends from 2016 and 2017, the Police Department anticipates hiring up to nine (9) lateral officers per year. The annual cost for the Lateral Bonus Program if all nine officers are hired in a single year is up to \$90,000, with payments spread over three to four years. Staff anticipates that the program will be funded through salary savings from vacant positions for the foreseeable future and will not require additional appropriation in the General Fund.

The Hiring Incentive Referral Program (HIRP) will cost up to \$2,000 per referral leading to a hire and will be paid over one to two years according to the payment schedule discussed above. Based on the hiring trends of the department from 2016 to 2017, the Police Department anticipates hiring 30 employees over the next two years. The annual costs of the HIRP assuming 15 employees hired through the program per year is \$30,000. This is likely to be offset by salary savings but may require additional appropriations depending on the success of the program.

## **STRATEGIC INITIATIVES**

This agenda item is a routine operational item and does not relate to one of the Council's Strategic Initiatives.

## **NEXT STEPS**

If the Council authorizes this action, staff will reallocate existing funding within the Police Department's budget to fund the Trainee/Entry Level/Academy Graduate (TEAG) Hiring Bonus Program, Lateral Hiring Bonus Program, and Hiring Referral Program (HIRP).

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Approved by:



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Kelly McAdoo, City Manager