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PERSONNEL BUILDING
700 EAST TEMPLE STREET
LOS ANGELES, CA 90012

Wendy G. Macy
GENERAL MANAGER

April 21, 2017

Honorable Members of the Budget & Finance Committee
c/o Erika Pulst, City Clerk
City Hall, Room 395
Los Angeles, CA 90012

FISCAL YEAR 2017-18 PROPOSED BUDGET - PERSONNEL DEPARTMENT

The Personnel Department is proud to support the City's initiatives with our innovative recruitment and hiring efforts, our newly-defined risk management functions, and our public safety partnerships. Whether it is homelessness or housing, Vision Zero or Great Streets, public safety or emergency preparedness, we are an integral part of creating a better future for our City's residents. While our most essential support is in addressing hiring to implement these key initiatives and service priorities, the Personnel Department is becoming increasingly tasked with the provision of direct services to City residents.

The vast majority of our concerns in this letter pertain to the loss of funds that facilitated many of our achievements this past year. The deep cuts to such funds jeopardize our ability to continue these successes next year. While we recognize the City's current fiscal challenges, we are mindful of the City's continued need to develop our pipeline of new talent in light of impending retirements and to further our succession planning. We believe that certain key investments in our Department today will produce positive results for the City in the future: mitigating future City liability through initiatives to strengthen and equip our workforce with training and tools to address today's challenges; reinforcing citywide risk management efforts; and sustaining our hiring efforts for the City's civilian and public safety programs.

CIVILIAN HIRING

1. Examining Support

Restoration of As-Needed Salaries, \$275,051; Contractual Services, \$598,000

By early 2015, City departments were affected by a large exam backlog that existed when the Personnel Department's staffing was scaled back to such an extent that we were unable to keep pace with the number of exams requested by City departments.

In Fiscal Year 2015-16 additional resources were provided, including professional and clerical staff, As-Needed funding to hire Proctors and Interview Specialists for exam administration, and Contractual Services funding for outside agencies to develop and administer exams and increase our ability to generate eligible lists. Since receiving the new resources, we have:

- Reduced the time to announce an exam to within 60 days of receipt of a request
- Reduced the backlog from 130 exam requests to fewer than 60 exam requests
- Reduced the time to produce eligible lists by 27% and are now able to produce over 400 eligible lists a year

The Fiscal Year 2017-18 Proposed Budget eliminates As-Needed and Contractual Services funding. Proctors and Interview Specialists permit us to conduct more exams and explore alternative test administration possibilities, such as weekend interviews. Contractual Services funding is used to assign the development of certain exam parts to vendors so we can assign City staff to more complex exams and is used to rent test facilities to increase the number of exam locations. Without them we will not be able to sustain our eligible list production in the face of ever-increasing exam requests. In Fiscal Year 2013-14 we received 168 exam requests; in Fiscal Year 2014-15 we received 182, and in Fiscal Year 2015-16, we received over 200. We anticipate the same number this Fiscal Year. The impact will be felt citywide as departments attempt to hire staff to achieve their goals for street repaving, fixing sidewalks and programs like Vision Zero.

2. Anytime/Anywhere Testing Pilot Program

New Resources: As-Needed Salaries, \$90,000; Contractual Services, \$110,000; Equipment, \$60,950

As the next necessary step to modernizing the City's examining practices, our Anytime/Anywhere testing pilot is integrated into all of our efforts to reduce time-to-hire and provide high quality candidates to the City. Rather than scheduling individuals for specific test times, dates and locations, we can offer candidates a window for taking the exam in a location of their choice, even in their own home using their own computer. This exam administration option will allow the City to increase the number and caliber of candidates, and help us build a reputation as an employer of choice.

We are appreciative of the Mayor investing \$70,000 in Anytime/Anywhere testing, and in continuing much needed resolution authorities, but the proposed reductions from our funding levels of Fiscal Year 2016-17 would directly impact our ability to implement Anytime/Anywhere testing.

We are requesting \$90,000 in As-needed Salaries for staff to develop exams to be administered online, an additional \$40,000 in Contractual Services to create online testing and to amend the existing contract with NeoGov to include testing platform enhancements, and \$60,950 in Office & Administrative for equipment to assist in streamlining the selection process. The equipment will enable innovations to support efficiencies in the testing process,

including implementation of online interview worksheets to review exam results in real time and store results electronically. We are also exploring video-based training for subject matter experts (SME) involved in the civil service exam process so they can train at their convenience.

3. Cornerstone Learning Management System

Restoration of Contractual Services \$214,452

The Cornerstone Learning Management System is the platform utilized citywide to provide online training. The reduction of \$214,000 from the Fiscal Year 2016-17 funding will further delay operating departments' ability to access the Performance, On-boarding, and Succession modules of the program and eliminate the ability to develop and purchase new online training content. The City will be severely limited in its ability to create and purchase online training curricula for employees on topics such as safety training, homelessness, disability accommodations, and EEO. Similarly, City departments' ability to create online "desk manuals" to address succession planning issues will be compromised. The City would greatly benefit from employees receiving a consistent on-boarding process, a rich learning and performance experience, and a standardized training environment for supervisors. Helping to reduce City liabilities, these modules form the foundation that employees and supervisors require to become the prepared and trained workforce of tomorrow. The collection and organization of the information in these Cornerstone modules allows departments to visualize employees' current skills and determine what skills and training they require to implement their succession plans and ensure the successful completion of their respective missions in serving the residents of the City.

PUBLIC SAFETY

In our partnership with LAPD, LAFD, LAWA, the Port, Animal Services, and others to make this City the safest big city in America, we continue to improve our processes with myriad efficiencies. We are also excited about the new Associate Community Officer Program (ACOP), and are creating the new ACOP classification and developing the support for this new program. We need continued funds for recruitment efforts, Background Investigators, and overtime salaries in order to attract and promptly process qualified and desirable public safety candidates for the City. To do otherwise will stall the hiring momentum we have created this year.

4. Recruitment

Restoration of Contractual Services, \$445,000

Given the City's continuing need to hire an ever-growing number of Police Officers and a diverse cadre of Firefighters, the renewal of recruitment funds budgeted in Fiscal Year 2016-17 is essential to maintaining the momentum of recent successes into Fiscal Year 2017-18.

Current recruitment funds allowed the Public Safety Bureau to develop and launch a brand-new recruitment campaign entitled “Choose LAPD.” Alongside strategic ad buys on billboards, bus tails and street light banners, recruitment funds ensure an online presence – through social media and music streaming channels (Pandora and Spotify) – to reach a millennial audience; pay for necessary equipment and promotional materials; and use innovative technologies. Projects currently in development include Virtual Reality modules and a Virtual Mentor portal to guide candidates through the hiring process by way of automated notifications, reminders, links to resources, and tips for success.

Having hired 499 LAPD officers in Fiscal Year 2015-16, the Department is on track to hire as many as 565 officers this Fiscal Year and may be called upon to hire upwards of 600 officers in Fiscal Year 2017-18. To build a robust hiring pipeline to meet these ever-increasing expectations – while competing with other law enforcement agencies for talented candidates – the Department must have sufficient funds to promote the LAPD brand among targeted pools of potential recruits.

Recruitment funds for LAFD hiring serve a niche purpose, namely, diversity outreach to underrepresented groups, both in terms of ethnicity and gender. Considering that women comprise a mere 3% of LAFD ranks, the importance of such outreach cannot be overstated. Recent recruitment funding was instrumental in implementing the new “Wear Your Strength on Your Sleeve” campaign, which focused on diversity and included terrestrial and digital advertising, as well as a promotional deal with the L.A. Sparks women’s basketball team. It also made possible four mini-campaigns targeting underrepresented groups in LAFD, namely, African-American, Asian, Hispanic, and female candidates. Presently, recruitment funds are being utilized to sponsor LAFD’s Youth Programs – cadets, magnet schools, and a recurring Girls’ Camp – to build a pipeline of diverse candidates. With the next Firefighter exam anticipated in 2018, recruitment efforts must continue, without interruption, during the upcoming Fiscal Year to ensure ongoing gains in diversity hiring.

5. Background Investigations

Restoration of position authorities, two Background Investigator-Is and one Background Investigator-II, \$248,740; Overtime Salaries, \$8,000

Background Investigators conduct background checks on candidates not only for Police Officers and Firefighters, but also LAPD Reserves, Airport Police Officers, Port Police Officers, Park Rangers, Street Services Investigators, and executive personnel.

Additional background investigator resources in Fiscal Year 2016-17 allowed us to clear 815 Police Officer candidates to date, surpassing the 776 candidates who were cleared for hire the previous Fiscal Year. This has translated into an increase in LAPD candidates on our certification lists by over 10 per month. Thanks to these increases, we expect to hire 65 more police officers in Fiscal Year 2016-17 than we did in Fiscal Year 2015-16.

Reductions in resources will jeopardize the Background Investigation Division's ability to maintain current levels of output and meet the expectations for increased production next Fiscal Year, especially since the Division will have the added duties of performing investigations for the newly-created classification of Associate Community Officer, slated for launch in July.

6. Background Investigation Software

Reappropriation of Innovation Funds – Overtime, \$8,000; Contractual Services, \$79,500; Office & Administrative, \$33,500

We are finalizing contract negotiations with the eSOPH vendor and expect to execute a contract close to the end of the fiscal year. We would like to reappropriate these funds to Fiscal Year 2017-18 to ensure that they are used for the purpose for which they were provided.

RISK REDUCTION

New programs are uniquely situated to positively impact future City liabilities by improving safety for City employees and investing in workers' compensation. While results may not be immediately realized, over the long term the investment will reduce City liability expenditures and create ongoing risk reduction.

7. Workplace Safety

New Resources: 1 Industrial Hygienist, \$76,052; Equipment, \$48,552

The City's emphasis on workplace safety, employee health, and reducing liabilities broadens the responsibilities of our Occupational Health and Safety Division. With only six staffers, the Division needs a fully-functional Industrial Hygiene program to fulfill its responsibilities. The program requires a modestly-equipped Industrial Hygiene lab staffed by an Industrial Hygienist capable of testing for toxic air contaminants, such as mold, asbestos, or other hazardous substances, in buildings and facilities occupied by City employees.

Aside from accommodating departmental requests for exposure monitoring, an Industrial Hygienist recommends corrective actions to avoid further harm and possible legal liability. Savings to the City – estimated at \$200,000 annually, as measured by avoidance and prevention of regulatory penalties – would easily offset the investment in an industrial hygiene program.

8. Alternative Dispute Resolution Program

New Resources: \$4.85 million (Unappropriated Balance)

The Personnel Department offers critical support to departments in identifying risks, claims, and trends with the goal of reducing claims and getting employees back to work as soon as practical. Consistent with the direction of Mayor and Council, we have been negotiating alongside the CAO with the Police Protective League (PPL) and Coalition of City Unions to implement Alternative Dispute Prevention and Resolution (ADR) Programs. These ADR Programs are intended to improve the speed and quality of workers' compensation medical benefits, improve claims resolution time, reduce workers' compensation claims costs, return

injured workers to work in a timely manner, and increase injured worker satisfaction. The PPL Board approved the ADR agreement with the City, and estimated funding of \$3.25 million will be needed to implement the program, including: Medical Provider Network (MPN) - \$1.2 million; Agreed Medical-Legal Examiner (AME) Network - \$1.0 million; Member Advocates - \$150,000; ADR Coordinator - \$250,000; Mediators - \$200,000; and Arbitrators - \$450,000.

Expansion of the current civilian ADR program to additional unions will require an estimated \$600,000 for program management, ombudspersons, mediators, and arbitrators, plus \$1.0 million for the AME network. To demonstrate support to our labor partners, funding may be placed in the Unappropriated Balance for both of these programs while further implementation details are developed.

9. Workers' Compensation Benefits

Potential Shortfall: \$14.5 million (Human Resources Benefits Budget)

The workers' compensation actuarial report for Fiscal Year 2017-18 projects expected expenditures (\$177.5 million) plus the State assessment fee (\$7.5 million) to total \$185 million. The Proposed Budget funding of \$170.5 million could be insufficient during Fiscal Year 2017-18 to pay mandated benefits under this Program, particularly since expenditures this fiscal year will likely be near \$179 million. We recommend that additional funds be placed in the Human Resources Benefits budget to avoid a fiscal emergency during the fiscal year.

HOMELESSNESS

Given our unique position in City jails, we also can provide interventions to homelessness.

10. Caring for the Homeless

Resources Requested: 1 Advanced Practice Provider, 89,516; As-Needed Salaries, \$222,000
Demographic data reveals that nearly 50% of arrestees receiving correctional care in the City's three jails contend with mental illness, substance abuse, and/or homelessness. Through the Psychological Services in Jails initiative, the Medical Services Division intends to expand its correctional care services to include psychiatric assessments during daily rounds. As-needed Psychiatrists would assess arrestees in need of higher-level care and identify those at risk for suicide, while a licensed clinical social worker would connect arrestees with community resources providing shelter and/or treatment for mental health issues or substance abuse. Among the expected outcomes would be such key gains as reduced transfers to outside hospitals for psychological services and reduced recidivism in the jail setting.

If our key resources for Fiscal Year 2016-17 in examining, learning management and succession planning, and public safety hiring are not restored, this will dramatically reduce our ability to provide service and stall our positive momentum. We have been very selective in identifying a few key areas where modest investments will have the greatest impact on our ability to hire, manage risk, and provide support to the homeless.

Honorable Members of the Budget and Finance Committee

April 21, 2017

Page 7

I look forward to discussing our proposed budget with your Committee. If you have any questions or need additional information, you may contact me at (213) 473-3470, or Susan Nakafuji at (213) 473-9120.



WENDY G. MACY
General Manager

CC: Matt Szabo, Deputy Chief of Staff, Mayor's Office
Chief Legislative Analyst
City Administrative Officer

