



July 23, 2015

Unit 5, California Highway Patrol Officer Compensation Survey

**California Department of Human Resources
Office of Financial Management and Economic Research
Economic Research Unit**
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Overview

This compensation survey is prepared by the Department of Human Resources (Department) pursuant to Government Code section 19827 and the bargaining agreement between the State of California and the California Association of Highway Patrolmen (union).

Labor Agreement Survey Requirement

The labor agreement, also referred to as the Memorandum of Understanding (MOU) between the state and union, has a term of July 3, 2010 through July 3, 2018. The state is required by Government Code section 19827 and the terms of the MOU to continue providing California Highway Patrol Officers with general salary increases (GSI) based upon the lag in this survey.

Government Code section 19827 Survey Requirement

The law (Government Code section 19827) requires the Department and the union to jointly and annually:

- Survey five specific public law enforcement organizations, and calculate the estimated average total compensation.
- Conduct the survey using the methodology described in the “Description of Survey Process Pursuant to Government Code (Gov. Code, §19827) Regarding the Recruitment and Retention of California Highway Patrol Officers” dated July 1, 2001.
- Project the average total compensation ahead to July 1 of the year in which the survey is conducted.

The law also identifies the components of total compensation to be measured.

Survey Methodology—Description of Survey Process Pursuant to Government Code section 19827

Attachment 1 displays the survey methodology, including the law enforcement organizations and classifications to be surveyed. The methodology requires:

- The survey to measure and report on salary range maximum, patrol bonuses, seniority pay (also known as longevity or retention pay), physical performance

pay, Peace Officer Standards and Training (POST) and other education incentives, and the employee contribution to retirement.¹

- The use of an average entry age of 24 years, when the employee’s retirement contribution rate varies based on age in the surveyed organizations.
- The union is to verify the survey compensation and staffing data collected by the Department.
- The Department and the union will finalize the survey findings by March 31 of each year as data is projected to July 1. A labor agreement Side Letter provides that if an agency for which a projection has been made resolves its contract after March 31 but before the State Controller’s cutoff date for the July pay period, then the survey must be adjusted to reflect the actual figures of the new agreement.
- The Department is to provide survey information on an Excel spreadsheet.

The methodology identifies the following surveyed organizations and classifications, and indicates the survey’s intent is to survey the classification that most closely matches the California Highway Patrol (CHP) Officer, Range A.

Organization	Surveyed Classification
San Francisco Police Department	Police Officer Q2 ²
San Diego Police Department	Police Officer II
Los Angeles County Sheriff’s Department	Deputy Sheriff
Los Angeles Police Department	Police Officer II ³
Oakland Police Department	Police Officer
California Highway Patrol	CHP Officer, Range A

¹ Government Code section 19827, subdivision (a) (1) requires that total compensation include retirement contributions made by the employer on behalf of the employee. The Description of the Survey Process Pursuant to (Gov. Code, § 19827.) does not require that total compensation include retirement contributions made by the employer on behalf of the employee. Per past agreement between the union and the Department, the survey follows the Description of the Survey Process requirement.

² In the Description of the Survey Process Pursuant to (Gov. Code, § 19827.) document, the surveyed classification is Police Officer III Q4. This is the Police Officer having a POST Advanced Certificate. However, per past agreement between the union and the Department, the surveyed class was changed to Police Officer Q2, which is the officer having the POST Basic Certificate. To meet the intent of the Survey Methodology, the Police Officer Q2 more closely matches the California Highway Patrol Officer, Range A.

³ In the Survey Methodology, the surveyed classification is Police Officer II. However, per past agreement between the union and the Department, the weighted average salary is computed based on the combined count of Police Officer I, II and III incumbents. The reason is that the Field Training Officer function of the Police Officer III duties is the same as the Field Training Officer function of the CHP Officer, Range A, duties. The Police Officer III class is an assignment to a higher pay grade for a position carrying greater responsibility or requiring greater expertise. The Police Officer I is the cadet class.

The methodology determines the percent by which the California Highway Patrol Officer weighted compensation leads or lags the combined, weighted average compensation of the five surveyed organizations.

Also included in the methodology is a list of contacts at each jurisdiction. This list has been updated.

2013 Contract Addendum

An addendum to the MOU, agreed upon by the state and the union on June 19, 2013, constituted changes to the Bargaining Unit 5 compensation survey through June 30, 2018. The changes to the survey methodology include the following:

- The 2.0 percent to the top step salary increase, which was effective January 1, 2012, will no longer be excluded from the compensation survey starting July 1, 2013.
- Four percent of the 2013 survey lag will be applied as a general salary increase on July 1, 2013. The remaining lag (1.9 percent) will be applied to prefund Other Post-Employment Benefits (OPEB).
- A simple average of the tiered retirements for each jurisdiction will be used for the duration of the contract.
- Employee contributions towards OPEB will not be counted towards the survey for 2013-14 for the state or for the surveyed jurisdictions. Beginning July 1, 2014 the 2.0 percent employee contribution towards OPEB from CHP officers only will be included in the survey until June 30, 2018. Beginning July 1, 2018 the full employee OPEB contribution of 3.9 percent will be included in the survey (2.0 percent plus the 1.9 percent that was redirected on July 1, 2013). In addition, beginning July 1, 2018, the OPEB contributions paid by the employees in the surveyed jurisdictions will be considered in the survey.

Also agreed upon in this addendum is language extending the 2 percent redirect from OPEB to the employee contribution towards retirement, as per legislation (Gov. Code, § 22944.3) and 2010-13 MOU Section 42, subdivision (a) (b) for 2013-14 only. This contribution is in addition to the 9.5 percent patrol members are required to pay towards the employee contribution to retirement monthly.

Per the 2010-13 MOU, effective July 1, 2013, the state will contribute 2 percent towards OPEB for uniformed CHP members. Effective July 1, 2015, the state will match the additional 1.9 percent contribution towards OPEB making the total state contribution to OPEB 3.9 percent. State contributions towards OPEB are not reflected in the compensation survey for the duration of the contract.

2015 Survey Lag Computation

Attachment 2 displays the computation for the CHP Officers' lag in compensation behind the surveyed organizations. In addition to the 2013 Contract Amendment changes, the survey methodology is summarized as follows:

- The survey individually weights the patrol bonus, seniority, physical performance, and education incentive pays for each surveyed organization and for CHP Officers by the number of officers receiving those incentives in each organization.
- For the five surveyed organizations as a group, the survey collectively weights the patrol bonus, seniority, physical performance, education incentive pay, and maximum base salary by the total number of officers in the five organizations. The result is the weighted compensation subtotal.
- For the CHP Officer, the survey combines the maximum salary and weighted incentive pay to determine the weighted compensation subtotal before subtracting the contribution toward prefunding employee retiree health and the employee contribution to retirement.
- For the five surveyed organizations and the CHP Officer, the survey subtracts the weighted employee contribution to retirement from the compensation subtotal resulting in the final compensation.
- The CHP Officer compensation and surveyed organizations' compensation are compared to determine the percent by which the CHP Officer leads or lags the surveyed organizations' compensation.
- A CHP Officer lag, rounded to 1/10th percent, becomes the CHP Officer general salary increase effective July 1, 2015.

Survey Results

The survey resulted in a 0.4 percent lag for the CHP Officers, which means that CHP Officers compensation is currently below the weighted average compensation of the surveyed organizations.



July 1, 2001

**Description of Survey Process
Pursuant to Government Code Section 19827 Regarding
the Recruitment and Retention of California Highway
Patrol (CHP) Officers**



**Department of Personnel Administration
Policy Development Office**

1515 S Street, North Building, Suite 400
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Executive Summary of Process

Executive Summary

This document presents the survey methodology and process for the Department of Personnel Administration's survey of five jurisdictions pursuant to Government Code section 19827. In addition, this methodology and process is to be used for any future surveys performed under this section.

Government Jurisdictions Surveyed for Job Matches:

- San Francisco City
- City of San Diego
- Los Angeles County
- City of Los Angeles
- City of Oakland

Compensation Items to be Surveyed:

- Salary Range Maximum
- Patrol Bonuses
- Seniority Pay
- Physical Performance Pay
- Post/Education Incentives
- Employee Contribution to Retirement

Survey Timing and Effective Date

The parties will finalize survey findings prior to March 31st of each year. Per Government Code section 19827, survey data is projected to July 1st.

Use of Weighted Average

Calculations use numbers of employees receiving compensation multiplied by the amount paid and divided by the survey population to produce the "weighted average."

Introduction/Background

This survey is produced by the Department of Personnel Administration, in cooperation with the California Association of Highway Patrolmen (CAHP) pursuant to:

Government Code section 19827: (a) In order for the State to recruit and retain the highest qualified employees for the California Highway Patrol, it is the policy of the State to compensate State traffic officers the estimated average total compensation as of July 1 of the year in which comparisons are made for the rank corresponding to State traffic officer within the Los Angeles Police Department, Los Angeles County Sheriff's Office, San Diego Police Department, Oakland Police Department, and the San Francisco Police Department. Total compensation includes, but is not limited to, salary, retirement, health and dental insurance, educational incentives, longevity pay, night shift differential, and other skill or incentive pay. Any increase in total compensation resulting from this subdivision shall be implemented through a memorandum of understanding negotiated pursuant to the Ralph C. Dills Act (Chapter 10.3 [commencing with Section 3512] of Division 4 of Title 1). If the provisions of this subdivision are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act. (b) When determining compensation for State excluded sworn classifications of the California Highway Patrol, it is the policy of the State to consider total compensation for corresponding ranks within jurisdictions specified in subdivision (a), as well as other factors, including internal comparisons.

Methodology

The survey considers salary rates paid to rank and file officers in five California local governments, law enforcement agencies: San Francisco City Police, City of San Diego Police, Los Angeles County Sheriff's Office, City of Los Angeles Police, and City of Oakland Police. Both the Department of Personnel Administration and the CAHP have access to information and agree to cooperate in the collection and analysis of data necessary to complete this survey. The parties may review these job matches from time to time, but it is the intent of the parties to utilize the classification in the jurisdiction that most closely matches the "CHP Officer, Range A." The surveyed classes in the local government jurisdictions are currently San Francisco City - "Q-4" classification; San Diego City - "PO II" classification; Los Angeles County - "Deputy Sheriff" classification; Los Angeles City - "PO II" classification; and City of Oakland - "Police Officer" classification.

Identifying Compensation Items to be Surveyed

In determining 2001 survey findings, the DPA studied compensation items paid to CHP officers and officers in the survey jurisdictions. The DPA and CAHP determined that the significant items to be measured and reported were base salary, patrol and incentive bonuses, seniority pay, physical performance pay, POST and other education incentives, and employee contribution to retirement. The parties agree that any pay or incentive items added to the survey must be significant items in order to be reported in the survey. In the original study, some items were studied but not reported due to the direct comparability of the items between jurisdictions or that there was de minimus effect of those items.

Survey Estimates to July 1st

The parties will finalize survey findings prior to March 31st of each year as data is projected to July 1st. The parties may also provide periodic survey updates thereafter and meet to review findings. Projected figures will take into account salary schedule adjustments occurring on July 1st or during that fiscal year. As an example, if a 4 percent adjustment is to be granted on July 1st, and another 4 percent adjustment on January 1st, then the total impact of the increases for the fiscal year would be 6 percent. This annualized change is based on the 4 percent on January 1st being an annualized 2 percent base salary increase. This annualized 2 percent, when added to the 4 percent increase on July 1st increase, brings the total annualized increase to 6 percent. In the event that a jurisdiction is in the process of negotiating economic terms, the parties may use reasonable projection methods including past history of the jurisdictions and reasonable estimates of anticipated settlements.

Use of Weighted Average and Additional Information

In reporting data, survey information will be provided by the DPA on an "Excel" spreadsheet using a format provided by the Office of Financial Management, DPA. The spreadsheet enclosed with this report shall be the format for presenting survey findings under this section. Further, various worksheets for the determination of various special pay items actually included in the survey findings will be documented on a "Word" format. Agreements reached by jurisdictions engaged in negotiations prior to July 1st would be taken into account.

The DPA will collect compensation and staffing data from the jurisdictions and from the State Controllers' Office (SCO) and the CHP, Office of Labor Relations for CHP Officers. Data will be provided to CAHP and verified. In turn, CAHP will provide salary rates and incentive pays for each jurisdiction based on information provided by the unions and their respective MOUs. The DPA will confirm these figures. Calculations will use the numbers of employees receiving compensation items surveyed multiplied by the amount paid and divided by the survey population to produce the "weighted average."

Salary will be determined by utilizing the top step of the surveyed class in each jurisdiction. Incentive pays will then be added to arrive at a subtotal for compensation before subtracting the employee's contribution to retirement. In jurisdictions where the employee's retirement contribution varies based on age, an average entry age of 24 years will be utilized.

List of Contacts, Government Employers

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Association of Los Angeles Deputy Sheriffs

800.452.5237

Los Angeles Police Protective League

213.251.4554

Oakland Police Officers Association

510.834.9670

San Diego Police Officers Association

858.573.1199

San Francisco Police Officers Association

415.861.5060

**California Highway Patrol Five- Jurisdiction Survey
Survey Lag Computation**

California Highway Patrol - 2015 - Survey Lag Computation													
Surveyed Agency	# Officers in Surveyed Class	Max. Rate	Patrol Incentive Weighted by Officers Receiving Differential	Seniority Pay Weighted by Officers Receiving Differential	POST/Ed. Diff. Weighted Average	Physical Perform Pay (PPP) Weighted Average	Total of Patrol+ Seniority+ POST/Ed+ PPP Pays*	Salary+ Patrol Seniority+ POST/Ed+ Physical*	Employee Ret. Contrib. Rate	Average Employee Ret. Cost	Employee Contrib. to Retiree Health	Employee Retiree Health Cost	Net Pay*
San Francisco P.D.	1,558	\$9,440	\$0	\$21	\$340	\$0	\$360	\$9,801	12.7%	\$1,241	NA	NA	\$8,559
San Diego P.D.	982	\$6,350	\$134	\$0	\$399	\$0	\$534	\$6,884	11.6%	\$800	NA	NA	\$6,084
L.A. County Sheriff	7,438	\$6,908	\$30	\$110	\$712	\$0	\$851	\$7,760	9.6%	\$744	NA	NA	\$7,016
L.A. City P.D.	6,765	\$7,369	\$154	\$212	\$109	\$0	\$475	\$7,844	8.2%	\$643	0.00%	\$0	\$7,201
City of Oakland P.D.	380	\$8,505	\$12	\$53	\$187	\$0	\$252	\$8,757	10.0%	\$876	NA	NA	\$7,881
Survey Total	17,123	\$7,324	\$82	\$134	\$410	\$0	\$626	\$7,950		\$756		\$0	\$7,195
CHP Off., (A)	5,892	\$7,720	\$0	\$71	\$252	\$117	\$440	\$8,161	11.50%	\$839	2.00%	\$154	\$7,167
*Totals may not add up due to rounding.												Projected Lag	0.39%
												Per MOU, 100% of the projected lag provides a general salary increase of	0.4%